

COMMISSIONERS COURT
REGULAR SESSION
December 12, 2000

The Hunt County Commissioners Court met this day with all Commissioners present and Judge Joe Bobbitt presiding. Minutes of the previous meeting on were approved as presented.

OLD BUSINESS:

7825 On the motion by Judge Bobbitt, second by Allen Martin, the Court approved the 20hrs of the Continuing education hours (which includes 10hrs of financial investment training) for County Treasurer-Delores Shelton.

7826 On the motion by Ralph Green, second by Martin, the Court approved purchasing our document imaging and storage system from Net Data which the District Clerk, County Clerk and Sheriffs Office now uses for archiving documents. Hunt County currently leases this equipment. The cost of this purchase will be \$124,000. Annual Maintenance for the first year would be covered in the purchase price; 2nd and 3rd year maintenance cost will be 15,000 per year- to be paid by the Information Systems Management Department. The Court agreed to go out for 30 days for local bids to finance loan. After the 3rd year, the County will realize a \$30,000 a year savings. With this purchase we receive the addition of a new mug shot system to be used in the Sheriffs Office.

7827 On the motion by Jim Walker, second by Green, the Court approved disbursement of grant funds for the Hunt County Sheriffs Office to equipment the hostage negotiation team with a portable telephone and recording device and to maintain the existing K-9 and tactical unit with equipment needs. The total amount of the grant funds is \$22,719.00, with Hunt Counties matching funds amount to be \$2,524.00. The Board members-Susan Roberts Carol Day Moss, Judge Erwin, David Gish and Norris Nix were present and agreed with this purchase.

— ‘Discuss and possibly take action on approval of the annual report from the Hunt County Tax Office.’ Due to illness in Joyce Barrows family, item placed on OLD BUSINESS.

7828 On the motion by Martin, second by Thornton, the Court approved resolution for TX Dot to provide concurrence of the redesigning of the existing of BU-67-T and SH 224 in Greenville to the designation as Spur 302 (all located within the City) which is being done in preparation for the proposed loop in the City.

7829 On the motion by Martin, second by Thornton, the Court approved a tax abatement agreement for TYCO in Commerce which is expanding again and shall start at a graduate scale abatement of 95% and go to 0% after 10 years. Also, the Court approved the designation of the reinvestment zone as the City of Greenville would like to expand the parameters of their reinvestment zone to incorporate more of the downtown area. It will now expand 2 blocks North of Lee Street from Bois D Arc to the East to railroad tracts to the West and 2 blocks south of Washington Street.

7830 On the motion by Green, second by Martin, the Court approved the preliminary plat for Fox Creek Phase in Pct. 2 presented by Frank Orvens.

7831 On the motion by Thornton, second by Martin, the Court approved the road upgrade of dirt to rock for CR 1101 in Pct. 1. Commissioner Thornton stated money has been deposited in Escrow.

7832 On the motion by Walker, second by Green, the Court approved the request of SWB to place a buried utility line within the ROW of CR 3305 in Pct 3 with the usual stipulations.

— ‘Discuss and possibly take action on replat of Rocky Ford Addition in Pct.3.’ After the Court discussed this issue with Peter Maulin and Jack Dowd agreement was made to drop from Agenda and to place on OLD BUSINESS due to discussion concerning the re-routing of a road by 40’ to save grandfather trees and also the naming of CR 3405. The Court explained CR’s must have a number due to the 911 system. Also discussed was the possibility of placing a sign designating CR 3405 a “Paul Mathews Drive”.

— ‘Open and possibly take action on the Bid for copier and computer paper.’ Placed on OLD BUSINESS.

7833 On the motion by Martin, second by Green, the Court approved Interlocal Agreement Resolution between Commerce ISD and Hunt County for purchase road materials only to allow them to buy piggyback off the County’s contract.

7834 On the motion by Green, second by Martin, the Court approved an 8-year investment program for employees, with a \$2.00 to \$1.00 match (previously a \$2.10 to \$1.00 match), the rule of 75 (years of service and age = 75) and added military service credit towards retirement.

— Judge Bobbitt had to leave at 11:00 AM and Kenneth Thornton was appointed as acting Judge.

— **HEAR AND DISCUSS:**

Commissioner Walker advised the Court of the recent seminar he attended, stating items discussed were subdivision rules, redistricting, changes concerning fireworks stands, electric deregulation and right of caption on water. Matt Muliken stated light fixtures have been installed at new jail and they have began to finish the upper offices-taping and texturing, painting and the primer coat has been put on the outside of the jail.

7835 On the motion by Martin, second by Walker, the Court approved accounts payable.

— There were no line item budget transfers.

PERSONNEL AND PAYROLL:

| | |
|----------------------------|--|
| Commissioner Pct. 2 | Add Mark Harrison as Pct. Worker/truck driver Grade 4 at \$19,903, effective 12-5-00. |
| Commissioner Pct. 3 | Change James R. Morgan Pct. Worker 1-Grade 5 at \$22,772.80 a year, effective 12-11-00. |
| County Attorney | Change Donna Meeks from part time to full time Secretary 3 Grade 4 at \$20,142.00 a year, effective 12-11-00. |
| | Add Steve Tittle as Assistant County Attorney Grade 11 at \$34,162.00 a year, effective 12-11-00. |
| District Attorney | Change Carol Day Moss from Assistant County Attorney to Assistant District Attorney-Grade 11 at \$41,225.00, effective 12-11-00. |
| Maintenance | Add Angel Dawn Melher as part time Janitor at 6.00 per hour, effective 12-11-00. |
| Tax Office | Change Debbie Little part time clerk from \$6 to \$7 per hour, effective 12-11-00. |

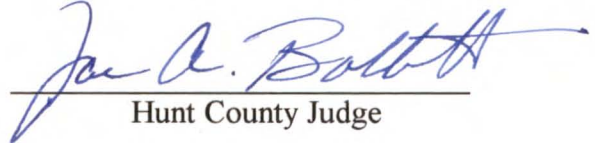
| These 2% Merit raises are effective December 11, 2000 | |
|--|-------------|
| County Attorney-Department 013 | |
| Bruce Hudson | \$ 838.00 |
| Betty Cooper | \$ 959.00 |
| Scott Cornuaud | \$ 1,627.00 |
| County Auditor-Department 015 | |
| Jimmy Hamilton | \$ 887.00 |
| Tammi Byrd | \$ 562.00 |
| Dianne Terry | \$ 458.00 |
| Denise Blankenship | \$ 427.00 |
| Debbie Thomas | \$ 409.00 |

7836 Approved on the motion by Martin, second by Walker.

— The Court went into Executive Session at 11:30AM as permitted by T.G.C.-Real Property Section 551.072 and Personnel Matters Section 551.074. The Court returned the Regular Session at 11:40AM.


7837 On the motion by Walker, second by Martin, the Court approved purchase of property known as the T. Goad property located at 2205 Washington Street, 1B and 2A Block of Old Town Addition R71021 and R 71022 for the agreed sale price bid of \$25,000. Special provisions of this contract are the seller shall pay all of this years (2000) taxes.

_____ Court Adjourned at 11:47AM. Minutes were approved this 27 day of December, 2000.



Hunt County Judge

Attest:



Hunt County Clerk

7828

A RESOLUTION
BY THE
COMMISSIONERS COURT
OF
HUNT COUNTY, TEXAS

FILED FOR RECORD
at 2:16 o'clock P M
DEC 12 2000
By LINDA BROOKS
County Clerk, Hunt County, Tex.

Whereas, the Texas Department of Transportation has proposed that certain highways be renumbered to aid in the flow of traffic and improve the safety of the driving public, and

Whereas, the proposal includes a redesignation of routes: SH 224 and BU 67T.

Whereas, Spur 302 would extend from the intersection of US 380/ US 69, along Lee St., east to the intersection of IH 30.

Therefore be it resolved by the Commissioners Court of Hunt County that the proposed resignation of the Highways heretofore referenced is hereby approved, and

Be it further resolved that the appreciation of this Court is hereby to the Texas Department of Transportation for their efforts to improve the safety of these highways.

Adopted this 11 day of December, 2000

Joe A. Bollitt
County Judge

Kenneth D. Tharmon
Commissioner Precinct 1

Ralph Green
Commissioner Precinct 2

Joe L. Malin
Commissioner Precinct 3

Alfred E. Fitch
Commissioner Precinct 4

ATTEST:

Linda Brooks
County Clerk

7833

FILED FOR RECORD
 LINDA BROOKS
 COUNTY CLERK HUNT CO., TX
 01 FEB -7 PM 12:10
 BY: DEPUTY *[Signature]*

COOPERATIVE PURCHASING AGREEMENT

This agreement is made on the 11th day of December 2000, between the County of Hunt, Texas, and the Commerce I.S.D., Texas. In consideration of the mutual covenants contained herein and pursuant to the authority permitted under: Title 8, Chapter 271, Subchapter F., Section 271.102 V.T.C.A. and Title 7, Chapter 791, Subchapter C., Section 791.025 V.T.C.A., Hunt County and Commerce I.S.D. agree.

I.

Purpose

Hunt County wished to enter into this Interlocal Agreement to authorize participation in Commerce I.S.D. contracts for Road Materials: that Hunt County chooses and Commerce I.S.D. agrees with as allowed by the contracted vendor.

II.

Duration of Agreement

This agreement, which terminates as of its effective date, all prior agreements, written or oral, between the parties concerning the same services, shall become effective on December 11, 2000 and shall continue in full force and effect thereafter until terminated by either party on thirty (30) days written notice to the other.

III.

Relationship of Parties

The parties intend that the entity, in receiving products and or services specified in this agreement shall act as an independent purchaser and shall have control of its needs and the manner in which they are required. Neither Commerce I.S.D., its agents, employees, volunteer help or any other person operating under this agreement shall be considered an agent or employee of Hunt County and shall not be entitled to participate in any pension plans or other benefits that Commerce I.S.D. provides its employees.

COMMERCE I.S.D

By: *[Signature]*

Loretta Kibler

Title: Superintendent

HUNT COUNTY, TEXAS

By: *[Signature]*

Joe Bobbitt

Title: County Judge

RESOLUTION

STATE OF TEXAS COUNTY OF HUNT

WHEREAS, the County of Hunt, Texas pursuant to the authority granted by VTCA Government Code Chapter 791, desires to participate in described cooperative purchasing program for purchases from the Commerce I.S.D, and

WHEREAS, the Commissioner's Court is in the opinion that participation in this contract will be highly beneficial to the taxpayers of this County, through the anticipated savings to be realized; now, therefore, be it

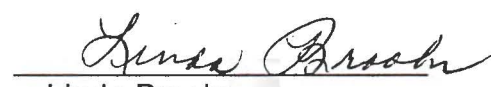
RESOLVED, that the Commissioner's Court of Hunt County, Texas does request that Commerce I.S.D. include Hunt County on this annual contract in connection therewith for and on behalf of Hunt County, Texas.

I certify that the foregoing is a true and correct copy of the resolution duly adopted by the Commissioner's Court of Hunt County, Texas on the 11th day of December 2000, and that the same now appears of record in my office.

In witness thereof, I have hereunto set my hand and affixed my official seal this 11th day of December 2000.

Hunt County, Texas

By: 
Joe Bobbitt
County Judge

By: 
Linda Brooks
County Clerk 12-12-2000

7829

FILED FOR RECORD
 LINDA BROOKS
 COUNTY CLERK HUNT CO., TX
 00 DEC 12 PM 2:46
 BY: DEPUTY *[Signature]*

TAX ABATEMENT AGREEMENT

THE STATE OF TEXAS }

COUNTY OF HUNT }

This Tax Abatement Agreement (hereinafter referred to as the "Agreement") is made and entered into by and between the Hunt County, Texas ("Governmental Unit") and TYCO Healthcare Group LP ("Owner"), a wholly owned subsidiary of TYCO, the owner of taxable real property in the City of Commerce and Hunt County, Texas ("Property").

I. AUTHORIZATION

This Agreement is authorized by the Texas Property Redevelopment and Tax Abatement Act, Texas Tax Code, Chapter 312, as amended ("Act"), and is subject to the laws of the State of Texas and the charter, ordinances, and orders of the Governmental Unit.

II. DEFINITIONS

As used in this agreement, the following terms shall have the meanings set forth below:

- A. "Abatement" means the full or partial exemption from ad valorem taxes of the Improvements on certain property in a zone designated for economic development purposes pursuant to the Act.
- B. "Added Value" means the increase in the assessed value of the Eligible Property as a result of "expansion" or "modernization" of an existing facility or construction of a "new facility". It does not mean or include "deferred maintenance".
- C. "Base Year Value" means the assessed value of the eligible property as certified by the Hunt County Appraisal District on January 1 preceding the execution of the Agreement plus the agreed upon value of Improvements made after January 1.
- D. "Eligible Property" means the abatement may be extended to the value of buildings, structures, fixed machinery and equipment, and site improvements, installed or added between January 1, 2000 and January 1, 2001, plus that office space and related fixed improvements necessary to the operation and administration of the facility.
- E. "Facility" means a Basic Manufacturing Facility, Petrochemical Facility, Regional Distribution Facility, or other Authorized Facility

approved by the Governmental Unit(s) as set forth in the Guidelines and Criteria for Granting Tax Abatement adopted by the Governmental Unit.

- F. "Improvements" means the buildings or portions thereof and other improvements used for commercial or industrial purposes on the property.
- G. "Ineligible Property" means the following types of property shall be fully taxable and ineligible for abatement: Land; inventories; supplies; tools; furnishings and other forms of movable personal property; vehicles; vessels; aircraft; housing; hotel accommodations; retail facilities deferred maintenance; investments; property to be rented or leased, except as provided; property owned or used by the State of Texas or its political subdivisions or by any organization owned, operated or directed by a political subdivision of the State of Texas.
- H. "Community Entities" means the Commerce Economic Development Corporation and any other similar organization within the City of Commerce, Texas which extends to Owner one or more incentives pursuant to this or other agreements.

The Guidelines and Criteria for Granting Tax Abatement adopted by the Governmental Unit(s) are incorporated as a part of this Agreement. Except as the same may be modified herein, all definitions set forth therein are applicable to this Agreement.

III. PROPERTY

The Property is an area within Hunt County, Texas located in whole or part within the jurisdiction of the Governmental Unit as is more fully described in Exhibit "A" attached hereto and made a part hereof. Said Property is located within a zone for tax abatement established pursuant to Chapter 312 of the Texas Tax Code, as amended, by City of Commerce, Texas City Council on October 19, 1999.

The Hunt County Appraisal District has established the following values for the Property, including improvements thereon, as of the January 1, 1999 valuation date, which is the last valuation record known by Parties:

| | |
|-----------------------|-----------------|
| Land and Improvements | \$ 4,929,700.00 |
| Personal Property | \$25,497,300.00 |

The Parties incorporate such value into this Agreement but agree to adjust such value as may be necessary upon adoption of the tax rolls for January 1, 2000. This is the Base Year Value.

The Governmental Unit and the Owner agree that the approximate value of any additions to the Property made after January 1 and for which abatement is not sought and not otherwise reflected on the above valuation Property is \$0.00 and are referred to as "Ineligible Property".

The Governmental Unit and the Owner agree that the approximate value of any additions to the Property made after January 1, 2000 and for which abatement is sought and not otherwise reflected on the above valuation Property is \$5,777,000.00 and are referred to as "Eligible Property".

IV. TERM OF ABATEMENT AND AGREEMENT

The Governmental Unit(s) agrees to abate the ad valorem taxes on the Eligible Property in accordance with the terms and conditions of this Agreement. The Abatement shall be effective with the January 1 valuation date immediately following the date of execution of this Agreement. The Abatement shall continue for ten (10) years. The years of Abatement provided herein shall in each instance coincide with the tax year commencing on January 1 and expiring on December 31, and in no event shall the Abatement extend beyond December 31 of the tenth tax year. This term is at variance with the Guidelines adopted by Governmental Unity; but is approved with all necessary addendum to said Guidelines. Exhibit "C," which is attached hereto and incorporated herein is a request for a variance with explanation for said variance request.

The terms and conditions of this Agreement shall continue for the period of Abatement. All covenants and representations of the Owner herein shall continue throughout the term of this Agreement, and any defaults shall be subject to the recapture provisions provided in Part VII herein.

V. TAXABILITY

During the period that the Abatement is effective, taxes shall be payable as follows:

- (1) The value of the land comprising the Property shall be fully taxable;
- (2) The value of Ineligible Property shall be fully taxable;
- (3) The Base Year Value of existing Improvements comprising the Property shall be fully taxable;
- (4) The value of the personal property comprising the Property shall be fully taxable; and
- (5) The Added Value of the Eligible Property made a part of the Property shall be abated as set forth in Part VI herein.

VI. AMOUNT OF ABATEMENT

The Abatement provided by this Agreement shall be based upon the added value of Eligible Property made a part of the Property as a result of the project. Taxes shall be abated annually as follows:

| | |
|------------------------|------------------------|
| Year 1 (Tax Year 2000) | 95% of the Added Value |
| Year 2 | 85% of the Added Value |
| Year 3 | 75% of the Added Value |
| Year 4 | 65% of the Added Value |
| Year 5 | 55% of the added Value |
| Year 6 | 45% of the Added Value |
| Year 7 | 35% of the Added Value |
| Year 8 | 20% of the Added Value |
| Year 9 | 10% of the Added Value |
| Year 10 | 0% of the Added Value. |

At the time of execution of the Agreement, the Owner reasonably estimates that the Added Value upon completion of the Modification, Installation, Construction and Start Up Phase will be at least \$5,777,000.00 ("Estimated Added Value"), such figure being an estimate only and will be finally determined and Abatement will be based on the actual added value as determined in Article VIII for the completed project.

Upon completion of the Project if the Added Value, as determined by the Hunt County Appraisal District, shall at any time during the term of this Agreement be less than Estimated Added Value to the extent that the percentage of Abatement shall be less than that allowed under the guidelines adopted by the Governmental Unit, the amount of Abatement shall be immediately adjusted or extinguished if the project is no longer eligible for abatement and any taxes previously abated shall be subject to recapture as provided in Part VIII herein.

VII. CONTEMPLATED IMPROVEMENTS

Owner represents that it will expand a facility at the cost, for the purpose, and in the manner as set forth in the Project Description attached as Exhibit "B". During the Modification, Installation,

Construction and Start Up Phase, the Owner may make such change orders to the project as are reasonably necessary, provided that no such change order may be made which will change the qualification of the project as a "Facility" under the Guidelines for Granting Tax Abatement approved by the Governmental Unit. All improvements shall be completed in accordance with all applicable laws, ordinances, rules or regulations. During the term of this Agreement, use of the Property shall be limited to operation of the Facility described in the Project Description consistent with the general purpose of encouraging development or redevelopment of the zone during the period of this Agreement.

Owner represents and warrants that this project will: 1) create at least 50 additional permanent full-time equivalent employees at the project site no later than January 1, 2001 with a minimum gross annual payroll of \$876,720.00 (the increase in number of employees is based on an existing employee base of 360 permanent full-time employees as of January 31, 2000); 2) retain a minimum of 50 full-time equivalent employees and a minimum gross annual payroll of \$876,720.00 for the remainder for the 10 year term of this Agreement; 3) the project is not expected to solely or primarily have the effect of transferring employment from part of Hunt County to another; 4) increase value of property as of the date the eligible property is installed and improvements are completed, which time shall not be later than January 1, 2001, in the amount of \$5,777,000.00; and 5) be necessary to create capacity which cannot be provided efficiently utilizing existing improved property.

VIII. EVENTS OF DEFAULT AND RECAPTURES

- A. 1) Discontinued Operation During the First Five Years of the Term of Agreement. In the event that the facility improvement is completed and begins operation but subsequently, during the first five years of the Agreement, discontinues operation for any reason except fire, explosion or other casualty, accident or natural disaster for a period of one year during the term of the Agreement, the Agreement may be terminated by the Governmental Unit and all taxes previously abated by virtue of the Agreement and all incentives furnished pursuant to the Agreement will be recaptured and repaid to the appropriate Governmental Unit or Community Entities within 60 days of the termination. Penalty and interest shall not begin to accrue upon such sums until the first day of the month following such sixty day notice, at which time penalty and interest shall accrue on abated taxes in accordance with the laws of the State of Texas.
- 2) Discontinued Operation During the Second Five Years of the Term of Agreement. In the event that the facility improvement is completed and begins operation but subsequently, during the second five years of the Agreement, discontinues operation for any reason except fire, explosion or other casualty, accident or natural disaster for a period of one year during the term of the Agreement, the Agreement may be terminated by the Governmental Unit and all taxes previously abated by virtue of the Agreement will be recaptured by the Governmental Unit or Community Entities in accordance with the following pro rate schedule:

Prior to end of Year 6, recapture 60% of amount abated;

Prior to end of Year 7, recapture 40% of amount abated;

Prior to end of Year 8, recapture 30% of amount abated; and

Prior to end of Year 9, recapture 20% of amount abated.

Such recapture shall be paid within 60 days of the termination. Penalty and interest shall not begin to accrue upon such sum until the first day of the month following such sixty day notice, at which time penalty and interest shall accrue in accord with the laws of the State of Texas.

- 3) Reduced Operation during the Term of the Agreement. In the event that the facility is completed and begins operation but subsequently during the Agreement fails to maintain the minimum number of new permanent full-time equivalent employee positions and/or the level of gross annual payroll required by the Agreement for any reason except fire, explosion, or other casualty, accident, or natural disaster for a period of one year during the term of the Agreement the Agreement may be terminated by the Governmental Unit and all taxes previously abated by virtue of the Agreement and all incentives provided by the Community Entities will be recaptured on a pro rata basis equivalent to the ratio by which Owner failed to maintain the minimum number of full-time equivalent employee positions and/or the level of gross annual amount of payroll for the affected year. Such recapture shall be paid within 60 days of the termination. Penalty and interest shall not begin to accrue upon such sum until the first day of the month following such sixty day notice, at which time penalty and interest shall accrue in accord with the laws of the State of Texas.
- 4) Removal of Eligible Property. In the event that fixed machinery or equipment is installed and becomes eligible property, but is subsequently removed from the facility or becomes ineligible property during the abatement period, and is not replaced with fixed machinery or equipment of like value within a reasonable time, then all taxes previously abated by virtue of the agreement for said machinery or equipment will be recaptured and paid within sixty (60) days from the date the machinery or equipment is removed from the facility or becomes ineligible property.
- 5) Delinquent Taxes. In the event that the company or individual (1) allows its ad valorem taxes owed the Governmental Unit or any affected jurisdiction to become delinquent and fails to timely and properly file the legal procedures for their protest and/or contest, or (2) violates any of the terms and conditions of the abatement agreement and fails to cure during the Cure Period, the agreement then may be terminated and all taxes previously abated by virtue of the agreement will be recaptured and paid within sixty (60) days of the termination.

- B. Notice of Default. Should the Governmental Unit determine that the Owner is in default according to the terms and conditions of this Agreement, it shall notify the Owner that if such default is not cured within sixty (60) days from the date of such notice ("Cure Period"), then this Agreement may be terminated. In the event the Owner fails to cure said default during the Cure Period, the Agreement may be terminated and the taxes abated by virtue of the Agreement will be recaptured and paid as provided herein.
- C. Actual Added Value. Annually, the Chief of the Hunt County Appraisal District or his/her designee, shall assess the real and personal property. Should the Hunt County Appraisal District determine that the total level of Added Value during any year of the term of this Agreement after completion of the Construction Phase is lower than the Estimated Added Value such that a lower percentage of Abatement is applicable, for each year during which an Abatement has been granted the difference between the tax abated and the tax which should have been abated based upon, the actual Added Value shall be determined and each Governmental Unit owner shall be notified. The taxes shall be paid within sixty (60) days of notification to the Owner of such determination. Penalty and interest shall not begin to accrue upon such sum until the first day of the month following such sixty (60) days notice, at which time penalty and interest shall accrue in accord with the laws of the State of Texas.
- D. Continuation of Tax Lien. The amount of tax abated each year under the terms of this agreement shall be secured by a first and prior tax lien which shall continue in existence from year to year until such time as this Agreement between the Governmental Unit and Owner is fully performed by Owner, or until all taxes, whether assessed or recaptured, are paid in full.

If the Governmental Unit terminates this Agreement pursuant to this paragraph VIII, it shall provide Owner written notice of such termination. If Owner believes that such termination was improper, Owner may file suit in the Hunt County district courts appealing such termination within sixty (60) days after the written notice of the termination by the Governmental Unit. If an appeal suit is filed, Owner shall remit to the Governmental Unit, within such sixty (60) days after the notice of termination, any additional and/or recaptured taxes as may be payable during the pendency of the litigation pursuant to the payment provisions of Section 42.08, Texas Tax Code. If the final determination of the appeal increases Owner's tax liability above the amount of tax paid, Owner shall remit the additional tax to the Governmental Unit pursuant to Section 42.42, Texas Tax Code. If the final determination of the appeal decreases Owner's tax liability, the Governmental Unit shall refund the Owner the difference between the amount of tax paid and the amount of tax for which owner is liable pursuant to Section 42.43, Texas Tax Code.

IX. ADMINISTRATION

The Owner shall allow employees and/or representative(s) of the Governmental Unit to have access to the Property during the term of this Agreement to inspect the facility to determine compliance with the terms and conditions of this Agreement. All inspections will be made only after

the giving of twenty-four (24) hours prior notice and will only be conducted in such manner as to not unreasonably interfere with the construction and/or operation of the Facility. All inspections will be made with one or more representatives of the Owner and in accordance with Owner's safety standards.

Upon completion of Modification, Installation, Construction and Start Up Phase for the added value, the affected jurisdiction shall annually evaluate each facility and report possible violations of the contract and agreement to the governing body and its attorney.

The Chief Appraiser of the Hunt County Appraisal District shall annually determine (I) the taxable value of the real and personal property comprising the Property taking into consideration the Abatement provided by this Agreement, and (ii) the full taxable value without Abatement of the real and personal property comprising the Property. The Chief Appraiser shall record both the abated taxable value and the full taxable value in the appraisal records. The full taxable value figure listed in the appraisal records shall be used to compute the amount of abated taxes that are required to be recaptured and paid in the event this Agreement is terminated in a manner that results in recapture. Each year the Owner shall furnish the Chief Appraiser with such information outlined in Chapter 22, Texas Tax Code, as amended, as may be necessary for the administration of the Agreement specified herein.

X. ASSIGNMENT

This Agreement may not be assigned by Owner without the written consent of the Governmental Unit secured in advance; provided that no consent shall be required in the event of a corporate name change of Owner or a reorganization with any affiliated entity. A transfer, sale, merger or other transaction in the capital stock of Owner with an unaffiliated third party resulting, in the opinion of the Governmental Unit, in a change in management of the Owner shall be considered and is hereby defined as a sale. Should Owner sell the business to a new owner, lease the facility, or engage in a defined stock transaction, in any event without the written consent of the Governmental Unit procured in advance this Agreement will immediately terminate. Such termination shall be considered an event of default and Article VIII shall apply, along with all rights and remedies for any default, including the recapture as set out in Article VIII.

XI. NOTICE

Any notice required to be given under the provisions of this Agreement shall be in writing and shall be duly served when it shall have been deposited, with the proper postage prepaid thereon, and duly registered or certified, return receipt requested, with the United States Postal Service, addressed to the Governmental Unit or Owner at the following addresses. If mailed, any notice or communication shall be deemed to be received three days after the date of deposit in the United States Mail. Unless otherwise provided in this Agreement, all notices shall be delivered to the following addresses:

To the Owner:

TYCO Healthcare Group LP
400 E. Maple Street
Commerce, Texas 75428

With a copy to :

TYCO Healthcare Group LP
Legal Department
15 Hampshire Street
Mansfield, MA 02048

To the Governmental Unit:

Hunt County
Hunt County Courthouse
Attn: County Judge
2507 Lee Street
Greenville, Texas 75401
Attention: City Manager

Either party may designate a different address by giving the other party ten (10) days written notice.

This agreement has been executed by the parties in multiple originals or counterparts, each having full force and effect.

Executed this the 11 day of December, 2000.

ATTEST:

Linda Breche

County Clerk

GOVERNMENTAL UNIT:

Joe A. Bobbitt

Joe Bobbitt, County Judge

APPROVED AS TO FORM

[Signature]

Asst County Attorney

OWNER:

TYCO Healthcare Group LP

By: [Signature]

Name: _____

Title: _____

EXHIBIT 'A'**FIELD NOTE DESCRIPTION
PROPOSED MANUFACTURING
BUILDING**

at TYCO Healthcare Group LP
IN COMMERCE, TEXAS
HUNT COUNTY, TEXAS

Exhibit A

Corner Knight Street & Maple
 Lat $33^{\circ} 14' 24.5'' N$
 Lon $95^{\circ} 53' 27.1'' W$

746 22558

Situated in the City of Commerce, Hunt County, Texas, and being three (3) tracts or parcels of land and being part of the James M. Williams Survey, Abst. No. 1140, and being Eli Yarbrow land in said survey and being more particularly described as follows:

TRACT NO. ONE:

BEGINNING at iron stake for corner at fence corner and at S.W. corner of said Yarbrow land and said point being at the intersection of the N.B.L. of 69 acres of land out of said survey conveyed to J. T. Knight from John L. Lindley, et ux, per deed of record in Vol. 88, page 436, with the Northeasterly R.O.W. line of State Hwy. No. 11;

THENCE N. 51 deg W., 445.5 feet with said hwy. R.O.W. to iron stake for corner;

THENCE N. 39 deg E., 542 feet to iron stake for corner;

THENCE N. 51 deg W., 160.5 feet to iron stake for corner;

THENCE S. 39 deg W., 371 feet to iron stake for corner at

fence corner;

THENCE N. 51 deg W., 100 feet with fence to iron stake for corner at fence corner;

THENCE S. 39 deg W., 171 feet with fence to iron stake for corner and in Northeast R.O.W. line of St. Hwy. No. 11;

THENCE N. 51 deg W., 1170 feet with said hwy. R.O.W. to iron stake for corner and at intersection with middle of county road;

THENCE S. 83 deg E., 1990 feet with middle of said road to corner at its intersection with the Southwesterly R.O.W. line of St. Louis Southwestern Railroad, iron stake for marker offset at fence post S.E. of said corner;

THENCE S. 46 deg 09 min E., 1184 feet with said railroad R.O.W. to iron stake for corner at fence corner;

THENCE S. 2 deg W., 337.86 feet with fence to iron stake for corner at fence corner;

THENCE N. 85 deg 03 min W., 1373.71 feet with fence to the place of beginning, and containing 44.614 acres of land.

TRACT NO. TWO:

BEGINNING at iron stake for corner in fence and said point being N. 51 deg W., 445.5 feet from intersection of N.B.L. of 69 acres conveyed to J. T. Knight per deed of record in Vol. 88, page 436, Hunt County Deed Records, with the Northeasterly R.O.W. line of said Hwy. No. 11, and said intersection also being at S.W. corner of said Yarbrow land;

THENCE N. 39 deg E., 542 feet to iron stake for corner;

THENCE N. 51 deg W., 160.5 feet to iron stake for corner;

THENCE S. 39 deg W., 542 feet to iron stake for corner in

Northeasterly R.O.W. of said highway;

THENCE S. 51 deg E., 160.5 feet with hwy. R.O.W. to the place of beginning, and containing 1.997 acres of land.

TRACT NO. THREE:

BEGINNING at iron stake for corner at fence corner and said point being N. 51 deg W., 606 feet from intersection of N.B.L. of 69 acres deeded to J. T. Knight per Vol. 88, page 436, Hunt County Deed Records, with the Northeasterly R.O.W. line of said St. Hwy. No. 11;

THENCE N. 39 deg E., 171 feet with fence to iron stake for corner at fence corner;

THENCE N. 51 deg W., 100 feet with fence to iron stake for corner at fence corner;

THENCE S. 39 deg W., 171 feet with fence to iron stake for corner at fence corner and on Northeasterly R.O.W. line of said St. Hwy. No. 11;

THENCE S. 51 deg E., 100 feet with said hwy. R.O.W. to the place of beginning, and containing 0.392 acre of land.

EXHIBIT "B"

TYCO Healthcare Group LP

PROPOSED MODIFICATION, INSTALLATION, CONSTRUCTION AND START
UP
FOR COMMERCE, TEXAS FACILITY

PROJECT DESCRIPTION

Proposed Facility and Operation

TYCO Healthcare Group LP is a publically held manufacturer of medical devices that distributes products internationally. TYCO Healthcare Group LP is converting 18,700 square feet of warehouse space to manufacturing space. In addition to the Modification of the existing facility, the firm plans to install new and relocated fixed manufacturing equipment at the facility. The total projected cost of the conversion and equipment is \$5,777,000.00.

The firm will have increased taxable inventories in the first year of \$830,000.00.

TYCO Healthcare Group LP will create 50 additional new permanent, full-time equivalent jobs at the Commerce facility during the first year of operation. The average starting wage will be \$17,534.00 per year.

Economic Impact of the Facility and its Employees**

The facility, its new employees and workers in new spin-off jobs created in the community will have the following economic impact on the Commerce and Hunt County are over the next ten years.

| | | |
|---|---|--------------|
| ■ | Total number of new direct and indirect jobs to be created | 108 |
| ■ | Number of direct and indirect workers who will move to the City | 19 |
| ■ | Number of new residents in the City | 65 |
| ■ | Number of new houses to be built | 4 |
| ■ | Number of new students expected in Commerce ISD | 23 |
| ■ | Salaries to be paid to direct and indirect workers | \$21,393,106 |
| ■ | Taxable spending expected in the area | \$10,271,798 |
| ■ | The value, in Year 10, of new residential property to be build for direct and indirect workers who move to the City | \$275,609 |
| ■ | Taxable assets at the facility in the first year | \$3,756,811 |

** Cost-benefit Analysis conducted by Jerry Walker, Impact Data Source
Austin, Texas, March 8, 2000.

EXHIBIT "C"
REQUEST FOR VARIANCE
TYCO Healthcare Group LP

TYCO Healthcare Group LP is a manufacturer of medical devices. The firm is planning to expand its manufacturing operations in Commerce, Hunt County, Texas.

The current guidelines and criteria adopted by Hunt Memorial Hospital District and Hunt County provide that new industry may request 100% tax abatement for up to seven years on allowable items. TYCO Healthcare Group LP is not requesting a 100% tax abatement for seven years; but rather requests a variance from the current guidelines to allow the incremental payment of taxes of ten (10) years.

Under the proposal, taxing entities will receive a portion of taxes from Year 1. It is estimated that the City of Commerce will receive \$124,236.00 in Sales and Use Taxes and \$249,370.00 in Property Taxes over the ten year life span of this Agreement. It is estimated that Hunt County will receive \$54,834.00 in Sales and Use Taxes and \$270,630.00 in Property Taxes over the ten year life span of this Agreement. It is estimated that Hunt Memorial Hospital District will receive \$81,581.00 in Property Taxes over the life span of this Agreement. The City of Commerce will also receive \$469,983.00 in utilities and utility franchise fees.

TYCO Healthcare Group LP respectfully requests that the taxing jurisdictions grant a variance to TYCO Healthcare Group LP's Tax Abatement Agreement for this project by granting an incremental tax abatement for ten (10) years.

TEXAS COUNTY AND DISTRICT RETIREMENT SYSTEM

Form ADCR-3A (County) Revised 2000



USE THIS FORM TO ADOPT THE ADCR PLAN FOR THE FIRST TIME.

7834

FILED FOR RECORD
at 2:46 o'clock
DEC 12 2000
LINDA BROOKS
County Clerk, Hunt County, Tex.

PART ONE. FORM OF MINUTES FOR ADOPTION OF ORDER.

THE STATE OF TEXAS

COUNTY OF Hunt

On this the 11 day of December 2000, the Commissioners Court of
Hunt County, Texas ("the County") was convened in

session with the following members present:

Joe A. Balfitt County Judge;
Kenneth D. Thornton Commissioner, Precinct #1;
Ralph Green Commissioner, Precinct #2;
Jim Walker Commissioner, Precinct #3;
Allen L. Martin Commissioner, Precinct #4; and
Linda Brooks County Clerk.

Mr./Ms. Ralph Green moved that the order (which is Exhibit One of these minutes), including all options checked and initialed in Section VII, be adopted by the County. The motion was seconded by Mr./Ms. Allen Martin, and was adopted with the following members voting AYE: Green, Martin, Judge Joe Balfitt

and the following members voting NO: Kenneth Thornton and

Abstained: Jim Walker

PART TWO. FORM OF ORDER TO BE ADOPTED AND INCLUDED IN MINUTES**EXHIBIT ONE.**

**COMMISSIONERS COURT ORDER ADOPTING
THE ANNUALLY DETERMINED CONTRIBUTION RATE PLAN
AND MAKING PLAN SELECTIONS THEREUNDER**

*Note: All statutory citations in this order refer to the TCDRS Act
(Subtitle F, Title 8, Government Code)*

WHEREAS, THE COUNTY is a participating subdivision in the Texas County and District Retirement System (hereafter "System") under the TCDRS Act and this Court has determined that it is in the public interest that the County adopt the Annually Determined Contribution Rate Plan as the basis of its future participation in the System, now, therefore, it is **ORDERED:**

I. ADOPTION OF ADCR PLAN

Effective January 1, 2001, the County adopts the Annually Determined Contribution Rate Plan authorized under Subchapter H, Chapter 844 and makes the plan selections below as authorized by said subchapter.

II. EMPLOYEE DEPOSIT RATE

For each payroll period from and after January 1, 2001, member deposits of each eligible County employee shall be made to the System at the rate of 7 %¹ of compensation; and such deposits shall be withheld by the payroll officer and transmitted to the System for deposit to the individual employee account.

III. CURRENT SERVICE CREDIT PERCENTAGE

For service performed for the County on and after January 1, 2001, each member shall receive *multiple matching credit*, which when added to the rate used to determine the *current service credit* allowable under Section 843.403, will total 200 %² of the member's deposits. Current service credit for periods ending prior to January 1, 2001, shall be at the greater of the rate in effect December 31, 2000, or the rate to take effect January 1, 2001.

IV. PRIOR SERVICE CREDIT PERCENTAGE

Allocated (special) prior service credits granted to any member by the County and in effect December 31, 2000, shall be recomputed at 155 %³ of the maximum (special) prior service credit of each member affected.

¹ 4%, 5%, 6% or 7%

² The percentage may be 100, 125, 150, 175, 200, 225, 250 or the percentage currently in effect.

³ Must be a multiple of 5%; may be the same as, but not less than the percentage previously adopted by the County.

V. OPTIONAL BENEFIT ELIGIBILITY PLAN ONE (10-year credited service requirement for vesting and service/disability retirement.)

Unless Optional Benefit Eligibility Plan Two is adopted under Section 844.210⁴ in this resolution (see Section VII), the County adopts or continues the Optional Benefit Eligibility Plan One described in Section 844.207, under which, effective January 1, 2001:

- (a) Any TCDRS member who has ten (10) or more years of service credit with the County and other subdivisions that have adopted the provisions of Section 844.207 or 844.210, is a vested member under Section 844.207(d) and shall have the right to retire and receive a service retirement annuity after attaining age 60.
- (b) Any TCDRS member who is a vested member may terminate employment with all participating subdivisions prior to attaining age 60, and remain eligible to retire and receive a service retirement annuity after attaining age 60 provided his or her membership is not terminated other than by retirement.
- (c) Any TCDRS member who is a vested member under Section 844.207(d), may retire and receive a disability retirement annuity if he or she is certified as disabled in accordance with Section 844.303(b)(2).
- (d) Unless Optional Benefit Eligibility Plan Three is adopted under Section 844.211⁵ in this resolution (see Section VII), any TCDRS member who is a vested member under Section 844.207(d) or who is described in Section 844.207(e) shall have the right to retire and receive a service retirement annuity when the member's years of credited service added to his or her age equals or exceeds the sum of eighty (80).

VI. SURVIVOR ANNUITY DEATH BENEFIT (4-year credited service requirement for survivor annuity death benefit)

By adopting this resolution, the provisions of Section 844.407, "Survivor Annuity Death Benefit" shall apply to the County. Any TCDRS member who has four (4) or more years of service credit with the County and other subdivisions that are subject to Section 844.407(a)(1) is an eligible member for purposes of the "Survivor Annuity Death Benefit" provided under Section 844.407.

⁴ See explanation of "8-year Vesting & Retirement Eligibility" on page 4 of attached materials.

⁵ See explanation of "Rule of 75" on page 4 of attached materials.

VII. SELECTION AND ADOPTION OF OTHER OPTIONAL CREDITS AND BENEFITS

Effective January 1, 2001, in accordance with Section 844.704, the County adopts the following additional rights, credits and benefits⁶ *(To adopt any optional right, credit or benefit described in this section the County Judge must check (✓) and Initial each option selected):*

() Increase in Existing Annuities under Sec. 844.208 at the rate of _____%⁷ (initial here) _____

() Increase in Existing Annuities under Sec. 844.209 at the rate of _____%⁸ (initial here) _____



NOTE: Only one of the above cost-of-living adjustments may be selected under this order.

(✓) Optional Benefit Eligibility Plan 2 (8-year Vesting/Retirement Eligibility) under Sec. 844.210 (initial here) QAB

(✓) Optional Benefit Eligibility Plan 3 ("Rule of 75" Retirement Eligibility) under Sec. 844.211 (Initial here) QAB

() Reinstatement ("Buy-Back") of Previously Forfeited Service Credit under Sec. 843.003 (initial here) _____

() Service Credit for Military Service (10-year requirement) under Sec. 843.601(c) (initial here) _____

(✓) Service Credit for Military Service (8-year requirement) under Sec. 843.601(g) (initial here) QAB

() Pre-Membership Credit under Sec. 843.204 (initial here) _____

() Partial Lump-Sum Distribution under Sec. 844.009 (initial here) _____

VIII. EMPLOYER CONTRIBUTION RATE

The County hereby undertakes to make monthly normal contributions and prior service contributions to the System at an employer contribution rate that equals or exceeds the total calculated employer contribution rate (i.e., the calculated employer contribution rate plus the rates for any optional rights, benefits and credits elected in Section IV) determined from year to year by the actuary of the System, and approved by the Court as provided by Subchapter H of Chapter 844. Such employer contribution rate (which does not include the rate for "picked-up" contributions under Section 845.403(i) and the rate, if any, for contributions to the Supplemental Death Benefits Fund under Section 845.406) shall not exceed the statutory maximum employer contribution rate prescribed by Section 844.703(c) (currently 11 percent) unless the Commissioners Court elects to waive that statutory limit. Any waiver of the statutory maximum rate made in accordance with Section 844.703(c) shall remain in effect until January 1 of the year following the year in which the waiver is repealed by the Court. An employer contribution rate adopted by the Court that exceeds the total calculated employer contribution rate shall remain in effect for each subsequent year until rescinded by the Court or until the total calculated employer contribution rate determined by the actuary exceeds the elected rate.

⁶ An explanation of all ADCR plan options can be found on pages 3-5 of the attached materials.

⁷ May be 30%, 40%, 50%, 60%, 70% or 80%. See lines 18-19 of Exhibit A.

⁸ The percentage must be an integer (e.g., 1%, 2%, 3%, etc.). See lines 20-21 of Exhibit A.

For 2001, the County shall make subdivision contributions to the System at the total employer contribution rate of 9.35%.



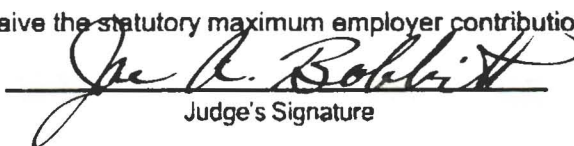
ELECTION TO WAIVE THE 11% LIMIT ON EMPLOYER CONTRIBUTIONS



NOTE: The County Judge MUST sign the following election ONLY IF:

- 1) The Court adopts an employer contribution rate exceeding 11% (see footnote 9 below), or
- 2) The Court adopts optional rights, credits or benefits that produce an employer contribution rate exceeding the actuarially determined limit established for the county (see footnote 3 on your Exhibit A for 2001).

Effective January 1, 2001, this Court elects to waive the statutory maximum employer contribution rate limit of 11% prescribed by Section 844.703(c).¹⁰


Judge's Signature

IX. OTHER PARTICIPATION PROVISIONS CONTINUED

Except as modified by this Order, the orders previously adopted by the Commissioners Court relating to participation in the System and in effect on December 31, 2000, are continued in effect.

⁹ The employer contribution rate should equal either (a) or (b):

- (a) the Calculated Employer Contribution Rate shown on Line 7 of Exhibit A, plus the sum of:
 - 1) the rate for the COLA annuity increase under Section 844.208, if authorized (Line 19, Exhibit A) or under Section 844.209, if authorized (Line 21, Exhibit A); plus
 - 2) the rate for 8-year vesting and retirement eligibility at age 60, if authorized (Line 15, Exhibit A); plus
 - 3) the rate for "Rule of 75" early retirement eligibility, if authorized (Line 16, Exhibit A); plus
 - 4) the rate for Partial Lump-Sum Distribution, if authorized (Line 17, Exhibit A); plus
 - 5) the rate for reinstatement ("buy-back") of previously forfeited service credit, if authorized (Line 14 of Supplemental Exhibit A); plus
 - 6) the rate for "pre-membership" credit, if authorized (Line 14 of Supplemental Exhibit A);
- (b) any whole percentage rate (e.g., 4%, 5%, 6%, 7%, 8%, 9%, 10%, 11%) that is equal to or greater than the rate computed in accordance with the instructions set out in (a) immediately above. The County may elect to contribute at a total calculated contribution rate exceeding 11% (as determined by the actuary) or at an integer rate exceeding 11% only if the County waives the statutory maximum employer contribution rate limit in accordance with section 844.703(c). The waiver of the statutory maximum remains in effect until it is revoked by the Commissioners Court. If the subdivision elects to contribute at an integer rate above the actuarially determined rate, that rate will remain in effect until it is changed by order of the Commissioners Court or until the total calculated contribution rate exceeds the elected rate.

¹⁰ Information regarding the waiver of the statutory maximum employer contribution rate can be found on page 2 of the attached materials.

DEC-18-2000 15:30

TCDRS

512 328 8708 P.04/04

PART THREE. CLERK'S CERTIFICATION.

I, LINDA BROOKS, Clerk of COUNTY County
and ex-officio Clerk of the Commissioners Court, do hereby certify that the foregoing is a full, true and
correct copy of: *Commissioners Court Order Adopting the Annually Determined Contribution Rate Plan
and Making Plan Selections Thereunder*, and of the official minutes pertaining to its adoption, as the
same appear of record in Volume 30, Pages 74-79, of the official minutes of the Commis-
sioners Court of HUNT County, Texas.

Given under my hand and seal of office this 20TH day
of DECEMBER, 2000.

Linda Brooks
County Clerk and Ex-Officio Clerk of the Commissioners Court

