

**COMMISSIONERS COURT**  
**REGULAR SESSION**  
*January 22, 2001*

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

NEW BUSINESS:

**7867** On the motion by Allen Martin, second by Kenneth Thornton, the Court approved the quarterly report from the Treasurers Office-presented by Delores Shelton.

**7868** On the motion by Ralph Green, second by Thornton, the Court approved the Hunt County Historical Commission's end of the year report for 2000-presented by Judy Woods. Also presented to the Court were the appointments for the Hunt County Historical Commission for the 2000-2001 Term. See Attachment.

**7869** On the motion by Green, second by Martin, the Court approved the following Deputy Constables for Randy Meeks-Constable Pct. 1: Phil Prather, Joe Knight, Ross Powell, and Lisa Brothers.

**7870** On the motion by Phillip Martin, second by Green, the Court approved the replat for Rocky Ford Addition in Pct. 3.

**7871** On the motion by Thornton, second by Green, the Court approved request for Verizon Communications to place buried cable along ROW of CR 1048, 1050, and 1052 in Pct. 1 with the usual stipulations.

**7872** On the motion by Green, second by Allen Martin, the Court approved request of Cap Rock Electric to build a 14.4 KV overhead power line along the ROW of CR 2727 and CR 2726 in Pct. 2 with the usual stipulations.

**7873** On the motion by Phillip Martin, second by Allen Martin, the Court approved final plat for Water's Edge in Pct. 3 presented by Joe King.

**7874** On the motion by Green, second by Thornton, the Court approved proposal to finance computer hardware, software and maintenance through a lease purchase agreement with American National Bank at 4.8% interest rate for up to \$124,000 for the County Auditor's Office, Sheriff, County & District Clerk's Offices.

**7875** On the motion by Allen Martin, second by Phillip Martin, the Court approved the following property sales transaction:

R 75422	Elaine Pearson	\$4,200.00
R 107164	Gary Kurtz	\$3,613.74

**7876** On the motion by Allen Martin, second by Green, the Court approved roof repair bid on the Quinlan Sub-Station Building from Bobs Roofing in Caddo Mills for \$12,500.

— ‘Open and possibly take action on bid for recycled concrete.’ Dropped from the Agenda.

— ‘Open and possibly take action on bid for recycled asphalt.’ Dropped from the Agenda.

**7877** On the motion by Judge Bobbitt, second by Allen Martin, the Court approved a standard tax abatement agreement with Alliance Carpet Cushion Company in Commerce Texas.

— ‘Discuss and possibly take action on any items pertaining to the new jail.’ Judge Bobbitt stated dry wall work begins this week. Also discussed was the ordering and shipment of beds, cots, etc.

**7878** On the motion by Allen Martin second by Thornton, the Court approved accounts payable.

**7879** On the motion by Thornton, second by Allen Martin, the Court approved line item budget transfers.

PERSONNEL AND PAYROLL:

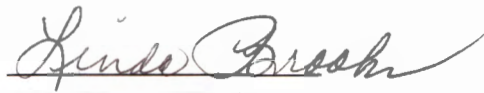
County Attorney	Remove John Anderson as Assistant County Attorney due to his resignation, effective 1-12-01.
	Raise Stephen Tittle Assistant County Attorney G11 from \$34,162 to \$35,789 with a \$2,000 a year stipend, effective 1-15-01.
District Attorney	Remove Helen Johnson due to her retirement, effective 12-31-2000.
	Raise Deborah Mason to Office Administrator Sec. 3 Grade 4 from \$20,141.94 to \$20,843.94 effective 1-22-01.
Maintenance	Remove Angel Melher due to resignation, effective 1-12-01.
	Add Sandra Holsclaw as Janitor G2 at \$7.00 per hour effective 1-22-01.
Sheriff	Add Brian S. Alford as Detention Officer G4 at 20,400 per year effective 1-11-01.
	Add Randal Hiller as Jailer 1-Detention Officer G4 at \$20,400 effective 1-15-01.

Sheriff	Add Daymond Weatherford as Deputy G6 at \$26,500 effective 1-22-01.
Tax Office	Remove Jill Wood due to her resignation effective 1-10-01.

**7880** Approved on the motion by Green, second by Phillip Martin.

There was no Executive Session, Court Adjourned at 11:00AM. Minutes approved this 12 day of February, 2001.

Attest:



Hunt County Clerk

  
Hunt County Judge

#2

7868

Appointments to the Hunt County Historical Commission for the 2000-2001 Term.

CHAIR Judy Woods  
 Address 3216 Washington St.  
 City Greenville Zip 75401  
 Daytime Phone 903-455-7232  
 Fax Number 903-454-8707  
 e-mail judy@word-works.com

Member John Armstrong  
 Address 5009 Utah  
 City Greenville Zip 75402  
 Phone 903-454-8209

Member Milton Babb  
 Address 3403 Lee St.  
 City Greenville Zip 75401  
 Phone 903-454-3720

Member W. A. Caplinger  
 Address 1108 Division St.  
 City Greenville Zip 75401  
 Phone 903-455-4503

Member Dr. Jim Conrad  
 Address 1400 Sycamore  
 City Commerce Zip 75428  
 Phone 903-886-6087

County Judge, Presiding Officer  
 Commissioners' Court

Date \_\_\_\_\_

Member Tanya Griffin  
 Address Rt. 1 Box 50  
 City Brashear Zip 75420  
 Phone 903-485-6704

Member Dorothy Moore  
 Address 2622 Washington St.  
 City Commerce Zip 75428  
 Phone 903-886-8690

Member Elan Parks  
 Address Rt. 2, Box 94  
 City Celeste Zip 75423  
 Phone 903-568-4483

Member Donna Smith  
 Address 3183 Hwy 276 West  
 City Quinlan Zip 75474  
 Phone 903-356-3291

Member Carol Taylor  
 Address 10 Timberside  
 City Greenville Zip 75402  
 Phone 903-454-2947

[over]

Please return to: History Programs Division  
 Texas Historical Commission  
 P. O. Box 12276  
 Austin, TX 78711-2276  
 512/463-6063  
 egina.reyes@thc.state.tx.us

Or FAX: 512/475-3122

NOTE: Attach additional pages, if needed.



Margaret Timberlake  
325 Wilton  
Greenville 75401  
903-455-0028

Dr. John Wilkins  
17 Mullaney  
Greenville 75402  
903-455-2549

Adrien Witkofsky  
Rt. 2, Box 69-1  
Greenville 75402  
903-454-2075

Jimmie Wofford  
1407 Alpine  
Greenville 75401  
455-7591

Clay Woods  
3216 Washington St.  
Greenville 75401  
903-455-7232

Bettina Zvanut  
5292 FM 2874  
Commerce 75428  
903-886-8053

Bob & Rheda Davis  
2300 I 30 West  
Caddo Mills 75135  
903-527-3619

7877

FILED FOR RECORD  
LINDA BROOKS  
COUNTY CLERK HUNT CO. TX  
01 JAN 25 PM 2:34  
BY: *[Signature]*  
DEPUTY

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 Hunt County ("Governmental Unit") and Alliance Carpet Cushion Co., ("Owner"), the owner of taxable real property in 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, 2001 and January 1, 2002, 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 July 7, 1998.

The Hunt County Appraisal District has established the following values for the Property, including improvements thereon, as of the January 1, 2000 valuation date, which is the last valuation record known by Parties:

Land and Improvements	\$ 36,840.00
Personal Property	\$n/a

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, 2001. 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, 2001 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, 2001 and for which abatement is sought and not otherwise reflected on the above valuation Property is \$4,400,000.00 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. This term is at variance with the Guidelines adopted by Governmental Unit; 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 explanations for said variance request. 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.

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 except for personal property added to the office space contemplated herein; 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 2002)	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 Construction, Expansion, Installation, and Start Up Phase for the Project will be at least \$4,400,000.00 ("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 complete and 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 Construction, Expansion, Installation, and Start Up Phase for the Project, 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 25 new permanent full-time equivalent employees at the project site in the Year 1 of operation and no later than January 1, 2002 with a minimum gross annual payroll of \$528,400.00; 2) add an additional 20 new permanent full-time equivalent jobs in year to, to be hired not later than January 1, 2003; 3) retain a minimum of 45 permanent full-time equivalent employees and a minimum gross annual payroll of \$1,000,000.00 for the remainder for the 10 year term of this agreement; 4) the project is not expected to solely or primarily have the effect of transferring employment from part of Hunt County to another; 5) increase value of property in the amount of \$4,400,000.00; 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 Project 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 Project 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 Project 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 Construction, Expansion, Installation, and Start Up Phase for the Project, the affected jurisdiction shall annually evaluate the 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. A transfer, sale, merger or other transaction in the capital stock of Owner 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:

Alliance Carpet Cushion Co.  
ATTN: President/CEO  
180 Church Street  
Torrington, CT 06790

To the Governmental Unit:

Hunt County  
Hunt County Courthouse  
2500 Lee Street  
Greenville, Texas 75401  
Attention: County Judge

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 22<sup>nd</sup> day of January, 2001.

ATTEST:

Linda Brooks  
Linda Brooks  
County Clerk

GOVERNMENTAL UNIT:

Joe Bobbitt  
Joe Bobbitt  
County Judge

APPROVED AS TO FORM:

D. Keith Willeford  
D. Keith Willeford  
County Attorney

OWNER:

Alliance Carpet Cushion Co.

By: [Signature]  
Name: JACK LEWIS  
Title: CEO

## ALLIANCE CARPET CUSHION COMPANY

20.00 Acres  
 Samuel Swartout Survey  
 Hunt County, Texas

Being 20.00 acres of land, situated N 54° E, a distance of 14.8 miles from the City of Greenville, County of Hunt, State of Texas, a part of the Samuel Swartout Survey, Abstract No. 1022, also being a part of a called 46.183 acre tract of land conveyed to Commerce Industrial Development Association, recorded in Vol. 908, Page 446 of the Deed Records of said County. The said 20.00 acre tract of land described more particularly in metes and bounds as follows:

Beginning at a set iron rod on the centerline of County Road 4220, said rod also being in the South boundary line of the said 46.183 acre tract of land, said rod also being in the East boundary line of a 2.47 acre access and utility easement;

Thence N 00°07'38" W, with the East boundary line of the said 2.47 acre tract of land, a distance of 61.94 feet to a set iron rod at an interior corner of the said 20.00 acre tract of land;

Thence S 89°52'22" W, a distance of 51.37 feet to a set iron rod at the most Westerly Southwest corner of the said 20.00 acre tract of land, said corner also being in the East boundary line of the said 2.47 acre tract of land;

Thence N 30°58'00" E, with the West boundary line of the said 20.00 acre tract of land and the East boundary line of the said 2.47 acre tract of land, a distance of 1294.75 feet to a set iron rod at the Northwest corner of the said 20.00 acre tract of land, said corner also being in the South Right-of-Way line of the St. Louis & Southwestern Railroad;

Thence S 64°45'05" E, with the North boundary line of the said 20.00 acre tract of land and the South boundary line of the said Railroad, a distance of 740.81 feet to a set iron rod at the Northeast corner of the said 20.00 acre tract of land;

Thence S 30°58'00" W, with the East boundary line of the said 20.00 acre tract of land, a distance of 1009.85 feet to a set iron rod at the Southeast corner of the said 20.00 acre tract of land, said corner also being on the centerline of the said County Road;

Thence N 89°15'41" W, with the South boundary line of the said 20.00 acre tract of land and the centerline of the said County Road, a distance of 765.19 feet to the point of beginning, containing 20.00 acres of land.

This conveyance is made subject to any and all easements that are of record and not of record in the Land Records of Hunt County, Texas, that are apparent, visible and ascertainable by inspection on the ground, including any buried beneath the surface of the ground for servicing utilities and like entities.

I, KENNETH RAY JONES, REGISTERED PROFESSIONAL LAND SURVEYOR, #3332, STATE OF TEXAS, HEREBY CERTIFY THE ABOVE IS TAKEN FROM MEASUREMENTS MADE UPON THE GROUND.

DEC 18 2000

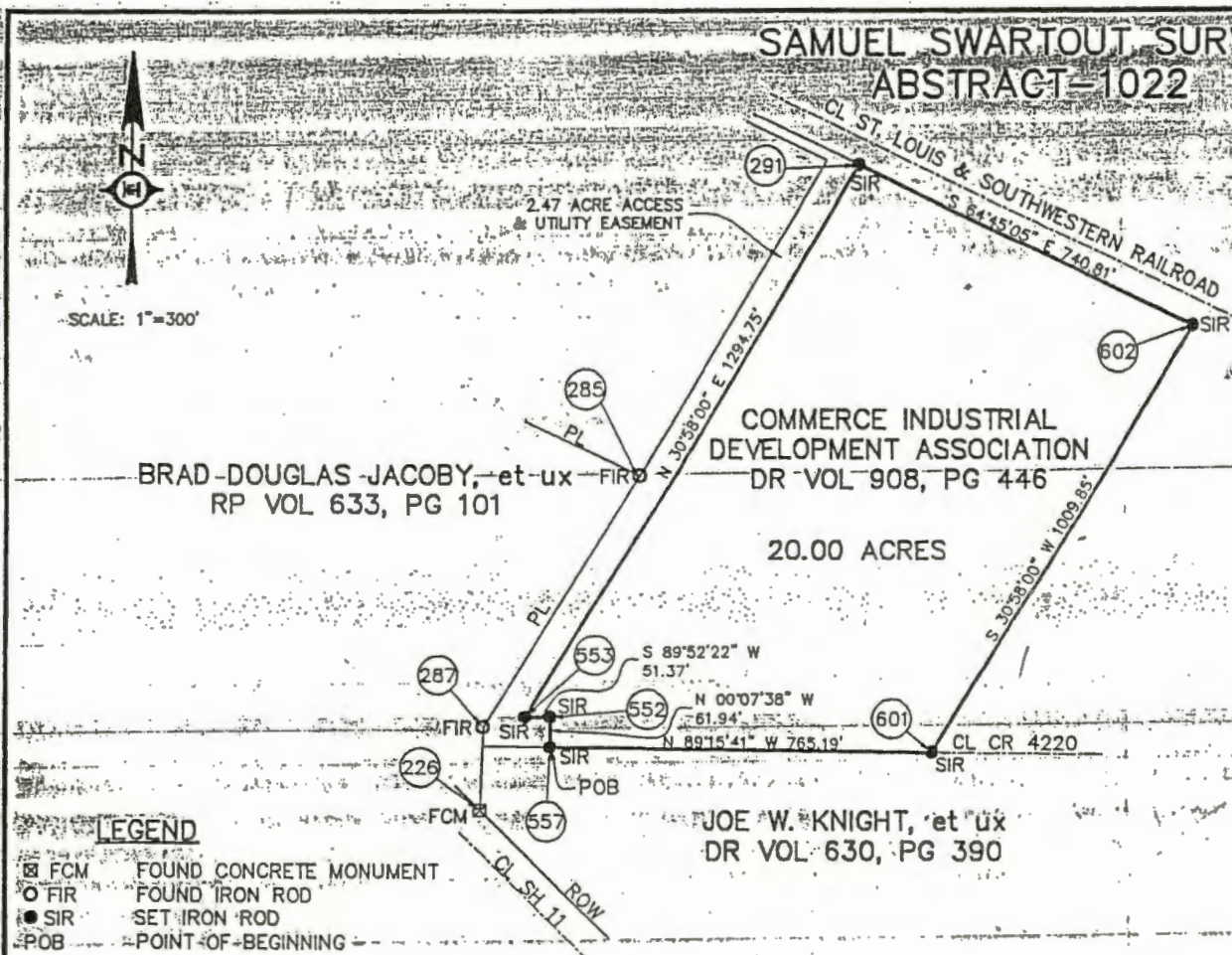


*Kenneth Ray Jones*

EXHIBIT A



# SAMUEL SWARTOUT SURVEY ABSTRACT-1022



COORDINATE LIST			
POINT #	NORTHING	EASTING	DESCRIPTION
557	4969.9344	4121.5486	SIR, CL CR 4220
552	5031.8781	4121.4110	SIR, CORNER 20.00 ACRE TRACT
553	5031.7641	4070.0381	SIR, CORNER 20.00 ACRE TRACT
291	6141.9718	4736.2420	SIR, NW CORNER 20.00 ACRE TRACT
602	5825.9809	5406.2807	SIR, NE CORNER 20.00 ACRE TRACT
601	4960.0705	4886.6747	SIR, SE CORNER 20.00 ACRE TRACT & CL CR 4220
226	4842.6796	3982.2760	FCM, IN SH 11 ROW
287	5011.6248	3987.9806	FIR, IN SH 11 ROW
286	5526.9783	4297.2288	FIR, NE CORNER OF JACOBY TRACT

- LEGEND**
- FCM FOUND CONCRETE MONUMENT
  - FIR FOUND IRON ROD
  - SIR SET IRON ROD
  - POB POINT OF BEGINNING
  - ROW RIGHT-OF-WAY
  - CL CENTER LINE
  - PL PROPERTY LINE
  - DR DEED RECORDS
  - RP REAL PROPERTY RECORDS

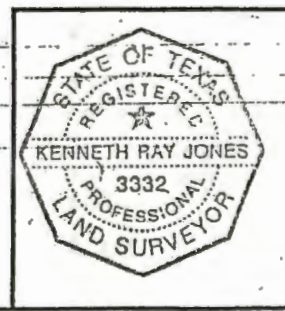
**HET** HAYTER ENGINEERING INCORPORATED  
CONSULTANTS PLANNERS ENGINEERS  
4446 S.E. LOOP 288 PARIS, TEXAS

**ALLIANCE CARPET CUSHION COMPANY**  
20.00 ACRES  
DECEMBER 2000

I, KENNETH RAY JONES, REGISTERED PROFESSIONAL LAND SURVEYOR FOR THE STATE OF TEXAS, RPLS #3332, DO HEREBY CERTIFY THAT THE PLAT SHOWN HEREIN REPRESENTS AN ACTUAL ON-THE-GROUND SURVEY CONDUCTED BY MYSELF. THIS SURVEY SUBSTANTIALLY COMPLIES WITH THE CURRENT TEXAS SOCIETY OF PROFESSIONAL SURVEYORS STANDARDS AND SPECIFICATIONS FOR A CATEGORY 1A, CONDITION II SURVEY.

*Kenneth Ray Jones*  
REGISTERED PROFESSIONAL LAND SURVEYOR

DEC 18 2000





## EXHIBIT "B"

Alliance Carpet Cushion Co.

PROPOSED EXPANSION, INSTALLATION, CONSTRUCTION AND START UP  
FOR COMMERCE, TEXAS FACILITYPROJECT DESCRIPTION

## Proposed Facility and Operation

Alliance Carpet Cushion Co. is a publicly held manufacturer of foam carpet pads that distributes products nationally. Alliance Carpet Cushion Co. is expanding its manufacturing to Commerce and will purchase the 50,000 square foot shell speculative building owned by the Commerce Economic Development Corporation. The Firm plans to complete and expand the speculative building to 80,000 square feet and install new fixed manufacturing equipment. The total projected cost of the expansion and equipment is \$5,100,000.00.

The firm will have taxable inventories in the first year of \$ 220,000.

Alliance Carpet Cushion Co. will create 25 additional new permanent, full-time equivalent jobs at the Commerce facility during the first year of operation. During the second year of operation and subsequent years of this Agreement, the Firm will ass an additional 20 new permanent full-time equivalent positions. The average starting wage, including fringe benefits, will be \$21,136.00 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	86
■	Number of direct and indirect workers who will move to the City	8
■	Number of new residents in the City	29
■	Number of new houses to be built	2
■	Number of new students expected in Commerce ISD.	10
■	Salaries to be paid to direct and indirect workers	\$20,552,074.00
■	Taxable spending expected in the area	\$12,035,467.00
■	The value, in Year 10, of new residential property to be build for direct and indirect workers who move to the City	\$137,804.00
■	Taxable assets at the facility in the first year	\$2,717,511.00

\*\* Cost-benefit Analysis conducted by Jerry Walker, Impact Data Source  
Austin, Texas, \_\_\_\_\_

EXHIBIT "C"  
REQUEST FOR VARIANCE  
Alliance Carpet Cushion Co.

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Alliance Carpet Cushion Co. is a manufacturer of foam carpet pads. The Firm is planning to expand its manufacturing operations to Commerce, Hunt County, Texas.

The current guidelines and criteria adopted by all taxing jurisdictions, except the City of Commerce and Commerce Independent School District, provide that new industry may request 100% tax abatement for up to seven years on allowable items. Alliance Carpet Cushion Co. 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 over 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 \$169,742.00 in Sales and Use Taxes and \$110,295.00 in Payment in Lieu of Property Taxes over the ten year life span of this Agreement. It is estimated that Hunt County will receive \$60,365.00 in Sales and Use Taxes and \$126,875.00 in Property Taxes over the ten year life span of this Agreement. It is estimated that Hunt Memorial Hospital District will receive \$43,174.00 in Property Taxes over the life span of this Agreement. The City of Commerce will also receive \$232,069.00 in utilities and utility franchise fees. It will also receive \$1,382.00 in Hotel/Motel taxes.

Alliance Carpet Cushion Co. respectfully requests that the taxing jurisdictions grant a variance to Alliance Carpet Cushion Co.'s Tax Abatement Agreement for this project by granting an incremental tax abatement for ten (10) years.