

**COMMISSIONERS COURT  
REGULAR SESSION  
November 26, 2001**

The Hunt County Commissioners Court met this day with all Commissioners present and Judge Joe Bobbitt presiding. Minutes of the previous meetings held November 9<sup>th</sup> and 13<sup>th</sup>, 2001 were approved as presented.

**NEW BUSINESS:**

**8195** On the motion by Phillip Martin, second by Allen Martin, the Court approved the annual collection report from the Hunt County Tax Office for the period of October 1, 2000 thru September 30, 2001 presented by Joyce Barrow: *(See Attachment)*

Total Tax Collection	\$ 11,668,682
Motor Vehicle Collection	1,610,386
Permits & Fees	195,280
Miscellaneous Collect	12,067
Interest Earned	27,974
Resale Property	35,547
Total Collected	\$ 13,549,937
Total County Budget	\$ 18,795,182
Percent of County Budget Collected	72%

**8196** On the motion by Kenneth Thornton, second by Allen Martin, the Court approved the following property sales transactions concerning property struck off at Sheriff's sale to County: R89497, R42912, R88395 & R104720. *See Attachment.*

**8197** On the motion by Ralph Green, second by Allen Martin, the Court approved resale property R72792, struck off to other taxing jurisdictions, which has been submitted to resale with minimum bid pre-approved by those jurisdictions to Roberto Vega for \$600.00. *See Attachment.*

**8198** On the motion by Judge Bobbitt, second by Allen Martin, the Court approved Tax Abatement Agreement between Hunt County & Rei-Luc Millwork, a new business located in Commerce, which makes specialty doors. Jeanette Moser with the Commerce Economic Development Corporation presented this item to the Court.

**8199** On the motion by Allen Martin, second by Judge Bobbitt, the Court approved the final plat for Aberfoyle Acres in Pct 4, stating an affidavit from each of the property owners dedicating an easement off of the center of the road versus the survey being done off of the set back of the road. Commissioner Green stated everyone in the County has been required to comply with the dedication of the road frontage for the past 2 years, therefore John Keeton should be required to follow the same rules as everyone else has to follow. For: Allen Martin, Judge Bobbitt. Opposed: Green, Thornton & Phillip Martin. Motion fails.

**8200** On the motion by Green, second by Thornton, the Court approved 2559' of dirt to rock road upgrade on CR 2716 in Pct 2. Funds deposited into Escrow.

**8201** On the motion by Green, second by Allen Martin, the Court approved 850' of dirt to rock road upgrade on CR 2514 in Pct 2. Funds deposited into Escrow.

**8202** On the motion by Green, second by Phillip Martin, the Court approved the preliminary plat for Blockdale Estates Phase II in Pct 2 with ½ of the subdivision and the full road falling into Hunt County and ½ of the subdivision falling into Rockwall County. Bobby Crowell advised the Court there are approximately 25-27 lots in Hunt County.

**8203** On the motion by Phillip Martin, second by Green, the Court approved the addition of 2 handicap parking spaces, located in the old driver's license spaces, around the east side of the Courthouse. This will make a total of 4 handicap spaces available to the public.

**8204** On the motion by Thornton, second by Phillip Martin, the Court approved the Holiday schedule for 2002. *See Attachment.*

**8205** On the motion by Green, second by Phillip Martin, the Court approved both bids received for premix oil & sand from Tyler Asphalt, Tyler, Tx. and Buster Paving, Greenville, Tx. All bids on file in the Personnel Office.

**8206** On the motion by Thornton, second by Allen Martin, the Court approved bid for Super 570, 4 wheel drive backhoe with 24" bucket from Wayne Campbell of Case Equipment in Sherman, Tx. for \$44,989.19 with trade in (\$20,000.00). Bid on file in Personnel Office.

**HEAR & DISCUSS REPORTS:**

— Judge Bobbitt stated Wednesday, November 28<sup>th</sup>, the State Jail Standards Commission will be here to check the full system at the new jail, consisting of checking the lighting, smoke evacuation, emergency back up power, locking of all doors & to measure and confirm room sizes to allow state test to be certified.

**8207** On the motion by Allen Martin, second by Thornton, the Court approved accounts payable. Judge Bobbitt abstained from the vote.

**8208** On the motion by Green, second by Thornton, the Court approved line item budget transfers.

**PERSONNEL & PAYROLL:**


<p><b><u>Sheriff's Dept:</u></b></p>	<p>Add Ken Saxton as Jailer 1, G-4/P46 at \$20,400 per year, effective 11-12-01.</p> <p>Effective November 15, 2001, Phillip Killgore is no longer employed at Sheriff's Office and is officially removed from the payroll.</p> <p>Remove Robert Seale, due to his resignation, effective 11-03-01.</p> <p>Add Harvey Moon as Jail Cook 1, G-2/P21 at \$19,500.00 per year, effective 11-13-01.</p>
<p><b><u>Tax Office:</u></b></p>	<p>Add Patricia Bench as partime -- hourly secretary for Joyce Barrow at \$6.50 per hour, effective 11-19-01.</p> <p>Remove Jennifer Fannin, due to her resignation, effective 11-27-01.</p> <p>Effective 11-20-01 Gayla Rodriguez will no long be employed by Tax Office or Hunt County.</p>

**8209** Approved on the motion by Allen Martin, second by Phillip Martin.

— There was no Executive Session. Court Adjourned at 11:00 A.M.

Minutes approved this 10 day of December, 2001.

  
Hunt County Judge

Attest:  
  
Hunt County Clerk



HUNT COUNTY TAX OFFICE - ANNUAL

8195

#1

OCTOBER 1, 2000 - SEPTEMBER 30, 2001  
HUNT COUNTY TAX OFFICE -ANNUAL COLLECTION REPORT

FILED  
at 1:00 o'clock PM

NOV 26 2001

LINDA BROOKS  
County Clerk, Hunt County, Tex.

TAX COLLECTIONS

	<u>COLLECTED</u>	<u>BUDGET</u>	<u>% OF BUDGET</u>
#10 - 5711 - CURRENT COLLECTIONS 2001 collections	11,147,387 5,683	11,218,978	100
#10 - 5715 - PRIOR YEAR DELINQUENT COLLECTIONS 1939-1999	259,827	164,600	100
#10- 5717 - PRIOR YEAR PENALTY & INTEREST	94,670		
#10 - 5717 - CURRENT PENALTY & INTEREST (2000 )	147,395	164,400	100
VARIANCES	13,721		
TOTALS.....	11,668,683	11,547,978	100

MOTOR VEHICLE COLLECTIONS

#10 -5731 - REGISTRATION & RECEIPT FEES (INCLUDES SPECIAL ROAD & BRIDGE)	861,730	813,000	100
#10-5735 - ROAD & BRIDGE FEES	649,604	653,200	100
#10-5768 - TITLE FEES	89,005	80,000	100
#10-5808 - BOAT & MOTOR SALES TAX	4,450	3,000	100
#10-5732 - TEXAS PARKS & WILDLIFE FEE	5,597	5,500	100
TOTALS.....	1,610,386	1,554,700	100

PERMITS & FEES

#10-5810 -TAX CERTIFICATES	19,370	10,000	100
#10-5833 - PCT MAPS, VOTERS' LIST, & LABELS	1,415	4,000	35
#10-5830 - ALCOHOLIC BEVERAGE	5,853	4,700	100
#10-5807 - COLLECTION FEES FROM ENTITIES	139,405	138,978	100
#10-5735 - MOTOR VEHICLE FEES INSURANCE VERIFICATION	29,237	27,000	100
TOTALS.....	195,280	184,678	100

HUNT COUNTY TAX OFFICE – ANNUAL

PAGE 2

	<u>COLLECTED</u>	<u>BUDGET</u>	<u>% OF BUDGET</u>
<u>MISCELLANEOUS COLLECTIONS</u>			
#10-5806 – COPIES & FAX DELINQUENT TAX ROLLS	190		
#10-5806 - MAIL FEE MOTOR VEHICLE	8,763		
#10-5806 - NSF CHECK FEES (MOTOR VEHICLE)	1,300		
#10-5806 - NSF CHECK FEES (TAX COLLECTIONS)	1,814		
#10-5806 - IN LIEU OF TAXES	-0-		
#10-2118 - RENT MONIES	-0-		
TOTAL .....	12,067	2,000	100
<u>INTEREST EARNED</u>			
#10-5751 – ALCOHOLIC BEVERAGE	-0-		
#65-5751 – SPECIAL INVENTORY	7,311	9,000	82
#10-5711 – FROM CURRENT TAXES	20,663		
TOTAL .....	27,974		
<u>RESALE PROPERTY REVENUE</u>			
#10-5823 – MAILING LIST OF RESALE PROPERTY	550		
#10-2119 – PUBLICATION	1,507		
#10-017-6436 - PUBLICATION REIMBURSED	4,471		
#10-5832 - RESEARCH FEE ON RESALE	9,441	10,000	94
#10-5823 - COUNTY PORTION ON RESALE	19,578	15,000	100
TOTALS.....	35,547	25,000	100

COLLECTED

TOTAL COLLECTED FOR OTHER  
COUNTY OFFICIALS

COUNTY CLERK (FILING FEES)	2,164
CONSTABLE FEES (WEEKS)	4,050
SHERIFF'S FEES (TAX SALES)	3,300
DISTRICT CLERK (COURT COST)	18,069
TOTAL.....	27,583

EXCESS FUNDS

DISTRICT CLERK (SEIZE & SELL PROPERTY)	9,761
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RECAP

TOTAL TAX COLLECTION	11,668,683
MOTOR VEHICLE COLLECTION	1,610,386
PERMITS & FEES	195,280
MISCELLANEOUS COLLECT	12,067
INTEREST EARNED	27,974
RESALE PROPERTY	35,547

TOTAL COLLECTED 13,549,937

TOTAL COUNTY BUDGET 18,795,182

PERCENT OF COUNTY BUDGET COLLECTED 72 %

#2 8196

## HUNT COUNTY COMMISSIONERS COURT AGENDA REQUEST

COURT DATE: November 26<sup>th</sup>, 2001

FILED FOR RECORD  
at 1:00 o'clock P.M.  
NOV 26 2001  
LINDA BROOKS  
County Clerk, Hunt County, Tex.  
By J. G. [Signature]

REQUEST: Consider approval of the following property sales transactions:

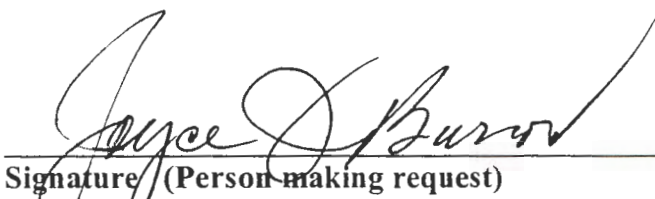
Judgement Bid property (R89497) purchase by Edward J. Brown & Joe Craig for the amount of \$1120.00.

Judgement Bid property (R42912) purchase by Edward K. Conway & Ozelle K. Conway for the amount of \$1,270.00.

Judgement Bid property (R88395) purchase by Kenneth Gorrell, Jr. for the amount of \$2,630.00.

Judgement Bid property (R104720) purchase by Margie Miller for the amount of \$3,586.71.

Name of person who wishes to address the court: Ben Kinder

  
Signature (Person making request)  
Joyce J. Barrow, Hunt County Tax Assessor/Collector

Date Accepted: 11-19-01

Time Accepted: 11:30am

Accepted By: S. Padilla



8197

POST OFFICE BOX 1042 • GREENVILLE, TEXAS 75403-1042

FILED FOR RECORD  
at 1:00 o'clock - M

NOV 26 2001

LINDA BROOKS  
County Clerk, Hunt County, Tex.  
By J. G. Lewis

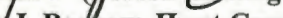
**COURT DATE:** November 26, 2001

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<u>Account</u>	<u>Address</u>	<u>Purchaser</u>	<u>Min. Bid</u>	<u>High Bid Received</u>
R72792	Henry & Oak St.	Roberto Vega	\$600.00	\$600.00

**Name of person who wishes to address the court:**

Ben Kinder

  
Signature (Person making request)  
Joyce J. Barrow, Hunt County Tax Assessor/Collector

Date Accepted: 11-19-01

Time Accepted: 11:30 Am

Accepted By: SP





JOE A. BOBBITT  
HUNT COUNTY JUDGE  
(903) 408-4146  
(903) 408-4299 Fax

# HUNT COUNTY

POST OFFICE BOX 1097 • GREENVILLE, TEXAS 75403-1097

8204

FILED FOR RECORD  
at 1:00 o'clock  
NOV 26 2001  
by Linda Brooks  
County Clerk, Hunt County, Tex.

## Holiday Schedule for 2002

January 1	New Years Day	Tuesday
January 21	M. L. King Day	Monday
March 29	Good Friday	Friday
May 27	Memorial Day	Monday
July 4	Independence Day	Thursday
November 11	Veterans Day	Monday
November 28, 29	Thanksgiving	Thursday, Friday
December 24	Christmas Eve	Tuesday
December 25	Christmas Day	Wednesday

8198

**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, Texas ("Governmental Unit") and Rei-Luc Millwork ("Owner"), 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, 2001 and January 1, 2002, plus that office space and related fixed improvements necessary to the operation and administration of the facility.

FILED FOR RECORD  
 LINDA BROOKS  
 COUNTY CLERK HUNT CO., TX  
 01 DEC 11 AM 9:11  
 ST. J. B. B. B.  
 DEPUTY

- 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. There is no abatement of taxes on real property pursuant to this Agreement. The abatement of taxes granted is on personal property that is included in the definition of Eligible Property contained herein.

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:

Personal Property	\$0.00
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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 of personal property 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, 2001 and for which abatement is sought and not otherwise reflected on the above valuation Property is \$303,000.00 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 and amount of Eligible Property 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; 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 of the eligible personal property upon completion of the Installation and Start Up Phase will be at least \$303,000.00 ("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 install its Eligible Property in 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 Installation 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 7 net permanent full-time equivalent employees at the project site no later than January 1, 2003 with a minimum gross annual payroll of \$136,500.00; 2) create an additional 17 net new permanent full-time equivalent jobs during years 2-5 (2004-2007) with a gross annual payroll of \$331,00.00 not later than January 1, 2007; 3) retain a minimum of 24 full-time equivalent employees and a minimum gross annual payroll of \$468,000.00 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 as of the date the eligible property is installed and improvements are completed, which time shall not be later than January 1, 2002, in the amount of \$303,000.00; and 6) 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 installation 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 as follows:

Prior to end of year	1 (2002)	100%
Prior to end of year	2	80%
Prior to end of year	3	60%
Prior to end of year	4	40%
Prior to end of year	5	20%

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 installation 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 full tax liability on all Eligible Property will accrue immediately.
- 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. All performance criteria will be measured independently each year during the term of this Agreement.
- 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 Installation 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:

Rei-Luc Millwork  
 700 4<sup>th</sup> Street  
 Commerce, Texas 75428  
 Attn: Dan Lockett  
 Gary Reiber

## To the Governmental Unit:

Hunt County  
 2500 Lee Street  
 Greenville, Texas 75401  
 Attention: Joe Bobbitt

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 26 day of November, 2001.

## ATTEST:

Linda Brooks  
 Linda Brooks, County Clerk  
 By: Jan Lewis, Deputy

## GOVERNMENTAL UNIT:

Joe R. Bobbitt  
 Joe Bobbitt, County Judge

## APPROVED AS TO FORM:

Keith Willeford  
 Keith Willeford, County Attorney

## OWNER:

Rei-Luc Millwork

By: Gary Reiber  
 Name: Gary Reiber  
 Title: President

By: Daniel Lockett  
 Name: Daniel Lockett  
 Title: Senior Vice-President

05/03/2001 THU 16:36 FAX 9057274199 TRADEMARK SAFETY

001/003

**ELKOM CONSULTING INC.**

66 Bayview Dr. RR #1 Nobel, Ontario, Canada P0G 1G0

Phone: (705) 342-9566 Fax: (705) 342-7152

May 1, 2001

Reiber & Associates  
Commerce, Texas

To whom it may concern,

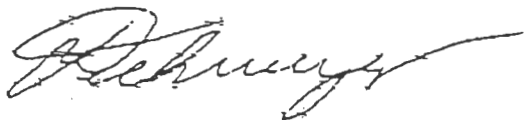
Elkom Consulting Inc. has been a broker in the woodworking machinery and equipment business since 1987. We serve the woodworking industry by supplying extensive knowledge and experience in the areas of plant layout, equipment needs and performance, as well as production methods and procedures.

I, Richard Wehmeyer, President of Elkom Consulting Inc. have personally viewed the machinery and equipment at Reiber & Associates during my recent visit to Texas. The appraisal values on the equipment list (schedule A) are based on known industry terms of good operating condition to excellent condition (new or like new).

Saw blades, knives, cutters, drills etc. are known as tooling. Motors, electrical controls, portable power tools, extra parts (belts, chains, bearings) etc. are summarized as supplies. These two items appear on the list with one total amount allocated.

Replacement values serve the purpose of comparison and insurance, and may not be 100% accurate.

Yours truly,

Richard H. Wehmeyer  
President, Elkom Consulting Inc.

**EXHIBIT 'A'**

List of equipment included for tax abatement pursuant to this Agreement and located at  
700 4<sup>th</sup> Street, Commerce, Texas



## Equipment Appraisal - Reiber &amp; Associates Schedule A

May 1, 2001

p.1

Item	Quantity	Manufacturer and Description	Model	Serial No.	Appraisal Value (\$)	Replacement Value-New (\$)	Remarks
1	1	Stegherr Halving Joint Machine	KSF-2	37/6902	12000.00	32000.00	
2	1	Stegherr Halving Joint Machine	KSF-2	57/4938	12000.00	32000.00	
3	1	Stegherr Halving Joint Machine	KSF-2	57/4932	22000.00	46000.00	Auto-Feed
4	1	Stegherr Halving Joint Machine	KSF-2	74/3995	22000.00	46000.00	Auto-Feed
5	1	Trislate 5 Head Moulding Machine	T65	3044	16500.00	62000.00	
6	1	Root 4 Head Drill, Special Application		7350	10000.00	35000.00	Modified
7	1	Kval Automatic Single Head Bifold Hinger		9538-1	6000.00	N/A	
8	1	Pistorius Sile Trim & Boring Machine			15000.00	29000.00	
9	1	Festo Automatic Slot Router	IFA57	801670	8000.00	32000.00	
10	1	Pistorius Multi-Head Drill			4000.00	18000.00	Modified
11	1	Comad Double Spindle Shaper	DFDS	1995-002	7000.00	16000.00	W/Feeder
12	1	Customized Single End Cope Machine		N/A	3500.00	12000.00	Modified
13	1	Lancaster Hydraulic Assembly Clamp		410FB	10000.00	26000.00	
14	1	Lancaster Pneumatic Assembly Clamp		120-4	8000.00	22000.00	
15	1	Challoner H.D. Gear Type Assembly Clamp	727	4056-40	10000.00	N/A	
16	1	Lancaster Pneumatic L.D. Assembly Clamp			2000.00	14000.00	
17	1	Industrial Woodworking L.D. Assembly Clamp	Special	N/A	4000.00	18000.00	
18	1	Kval Bifold Hinging Jig, Manual Operation			1500.00	N/A	
19	1	Delta Radial Arm Saw, 24" cut	483-02-314-2068		1500.00	4500.00	
20	1	Marbel Top & Bottom Pinch Roller			3000.00	12000.00	
21	1	Delta Single Head Spindle Shaper			1500.00	5000.00	
22	1	Newton Double Spindle Horizontal Drill	B-600	694	1000.00	4200.00	
23	1	Delta 10' Table Saw	Unisaw 10		1800.00	4500.00	
24	1	Customized Stretch Wrapper			4000.00	12000.00	
25	1	Kval Automatic Pre-hung Door Machine	Commander		12000.00	55000.00	
26	1	Greenlee Double End Tenoner, 10' Cap	742	N/A	16000.00	72000.00	
27	1	SCMI Wide Belt Sander, Combination Head			10000.00	34000.00	43" Wide
28	1	Delta Radial Arm Saw, 30" cut			2500.00	6000.00	

## Equipment Appraisal - Reiber &amp; Associates Schedule A

May 1, 2001

p.2

Item	Quantity	Manufacturer and Description	Model	Serial No.	Appraisal Value (\$)	Replacement Value-New (\$)	Remarks
29	1	Hyster Forklift Truck, 3000lb capacity		C203230L	4000.00	20000.00	
30	1	Hyster Forklift Truck, 2800lb capacity		C003460G	3500.00	18000.00	
31	1	Hyster Forklift Truck, 2800lb capacity			3500.00	18000.00	
32	5	Southworth Scissor Lifts, 2000lb capacity			7500.00	20000.00	
33	3	Silvan Plastic Strap Banders			3000.00	9000.00	
34	1	R.F. Workrite Wood Welder	4000		1600.00	5000.00	
35	2	R.F. Workrite Wood Welder	3000		2400.00	3800.00	
36	1 Lot	Pallet Racking, H.D. Interlock System			5000.00	12000.00	
37	1 Lot	Portable Maintenance Equipment (Scales, Set up Stand, Pipe Threader, Grinders, Saw Sharpener, Buss Bar, Etc.)			10000.00	N/A	
38	1 Lot	Specialty Power Tools (Patch Cutters Etc.)	Supplies		5000.00	10000.00	
39	1 Lot	Standard Power Tools (Table Sander, Etc.)					
40	1 Lot	Tooling (Knife Heads, Diamond Cutters, Etc.)			20000.00	N/A	



11/2/01

ReiLuc Millwork

Additional Machinery to add to Asset List.

Item	Value
Model M Marion Rip Saw	\$6,000
Hendrick Cutoff Saw	\$1,500
Slave Board Router	\$25,000
Corner Prep And RFID Insertion Machine	\$1,500
Ekstrom Carlson Shaper Model 102	\$800
Campell Hausfeld Air Compressor 7.5 HP	\$1,400
Stegherr Halving Machine 37/1903	\$12,000
<b>Total Additional Machine Assets</b>	<b>\$48,200</b>

EXHIBIT "B"

Rei-Luc Millwork  
PROPOSED INSTALLATION AND START UP  
FOR COMMERCE, TEXAS FACILITY

PROJECT DESCRIPTION

Proposed Facility and Operation

Rei-Luc Millwork is a privately held manufacturer of custom designed doors that will distribute products nationally. Rei-Luc Millwork is converting 16,000 square feet of warehouse space it leases to manufacturing space. The firm plans to install new and fixed manufacturing equipment at the facility. The total projected cost of the conversion is \$25,000.00. The total projected cost of the equipment is \$303,000.00.

The firm will have increased taxable inventories in the first year of 150,000.00.

Rei-Luc Millwork will create 7 net new permanent, full-time equivalent jobs at the Commerce facility during the first year of operation. The average starting wage will be \$19,500.00 per year. In years 2-5 (2003-2007) an additional 17 net new permanent, full-time equivalent jobs at the Commerce facility will be created for a total of 24 net new permanent, full-time equivalent jobs by July 1, 2007.

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	45
■	Number of new residents in the City	12
■	Number of new houses to be built	0
■	Number of new students expected in Commerce ISD	3
■	Salaries to be paid to direct and indirect workers	\$10,280,724.00
■	Taxable spending expected in the area	\$3,947,285.00
■	The value, in Year 10, of new residential property to be build for direct and indirect workers who move to the City	\$0.00
■	Taxable assets at the facility in year 10	\$672,314.00
■	Total sales tax collections by the city	\$59,209.00

\*\* Cost-benefit Analysis conducted by Jerry Walker, Impact Data Source  
Austin, Texas, July 4, 2001



EXHIBIT "C"  
REQUEST FOR VARIANCE  
Rei-Luc Millwork  
September \_\_\_\_\_, 2001

Rei-Luc Millwork is a manufacturer of custom doors. The firm is planning to establish its manufacturing operations in Commerce, Hunt County, Texas.

The current guidelines and criteria adopted by all taxing jurisdictions provide that new industry may request 100% tax abatement for up to seven years on allowable items. Rei-Luc Millwork 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 \$59,209.00 in Sales and Use Taxes and \$18,462.00 in Property Taxes over the ten year life span of this Agreement. It is estimated that Hunt County will receive \$19,729.00 in Sales and Use Taxes and \$18,561.00 in Property Taxes over the ten year life span of this Agreement. It is estimated that Hunt Memorial Hospital District will receive \$9,671.00 in Property Taxes over the life span of this Agreement. The City of Commerce will also receive \$74,875.00 in utilities and utility franchise fees.

The current guidelines of the taxing unit requires an increase in value of the property by \$1,000,000.00. The proposal is only for abatement of \$303,000.00. The granting of this tax abatement will allow an unused building to become a viable and active business which will benefit the City, County and District.

Rei-Luc Millwork respectfully requests that the taxing jurisdictions grant a variance to Rei-Luc Millwork's Tax Abatement Agreement for this project by granting an incremental tax abatement for ten (10) years and to grant abatement on an amount less than 1,000,000.00.