ORDINANCE 00-18

AN ORDINANCE OF THE CITY OF COMMERCE, COMMERCE, TEXAS DESIGNATING AN AREA AS AN INDUSTRIAL REINVESTMENT ZONE, CITY OF COMMERCE, TEXAS, PROVIDING FOR THE ESTABLISHMENT OF AGREEMENTS WITHIN THE ZONE, AND OTHER MATTERS RELATING THERETO; PROVIDING FINDINGS OF FACT; PROVIDING A SAVINGS CLAUSE; PROVIDING AN EFFECTIVE DATE FOR THE COMMENCEMENT OF THE REINVESTMENT ZONE AND THIS ORDINANCE; PROVIDING AN OPEN MEETINGS CLAUSE; AND DECLARING AN EMERGENCY.

BE IT ORDAINED BY THE CITY OF COMMERCE, TEXAS

WHEREAS, the City Council of the City of Commerce, Texas, (the "City") desires to promote the development or redevelopment of a certain contiguous geographic area within its jurisdiction by the creation of a Municipal Reinvestment Zone, as authorized by sections 312.201 et seq. Of the Texas Tax Code, (the "Code") and known as The Property Redevelopment and Tax Abatement Act, Vernon's Texas Civil Statutes, (the "ACT");

WHEREAS, a hearing before the City Council was set for 7:00 o'clock p.m. on the 5th day of December 2000 such date being at least seven (7) days after the date of publication of the notice of such public hearing in a newspaper of general circulation in the City of Commerce;

WHEREAS, the City has called a public hearing and published notice of such public hearing, and has properly notified the proper officials of Hunt County, and Commerce Independent School District, and Hunt County Memorial Hospital District, as required by the ACT;

WHEREAS, upon such hearing being convened, there was presented proper proof and evidence that notices of such hearing had been published and mailed as described above;

WHEREAS, the City, at such hearing invited any interested person, or his attorney, to appear and contend for or against the creation of the Reinvestment Zone, whether all or part of the territory, which is described by a metes and bounds description attached hereto as Exhibit "A" and depicted in the drawing attached hereto as Exhibit "B", should be included in such proposed Reinvestment Zone;

WHEREAS, all owners of property located within the proposed Reinvestment Zone, and all other taxing units and other interested persons, were given the opportunity at such public hearing to protest the creation of the proposed Reinvestment Zone of the inclusion of their property in such Reinvestment Zone;

WHEREAS, the proponents of the Reinvestment Zone offered evidence, both oral and documentary, in favor of all the foregoing matters relating to the creation of the Reinvestment Zone and no opponents of the Reinvestment Zone appeared to contest creation of the Reinvestment Zone;

WHEREAS, after considering all testimony and evidence offered at the public hearing, the City Council finds that the Zone would be eligible for tax abatement pursuant to a Municipal Tax Abatement Agreement meeting the requirements of sections 312.204 and 312.205 of the Code (an "Agreement") as contemplated by the ACT, and that the improvements ought with respect to property located within the Zone are feasible and practical and would be a benefit to the land to be included in the Zone and to the municipality after the expiration of the Agreement, and that it will be in the public interest to pass this ordinance creating a Reinvestment Zone.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY OF COMMERCE, TEXAS, THAT:

SECTION 1. The Facts and recitations contained in the preamble of this ordinance are hereby found and declared to be true and correct.

SECTION 2. The City, after conducting such hearing and having heard such evidence and testimony, has made the following findings and determinations based on the evidence and testimony presented to it:

a. That the public hearing on adoption of the Reinvestment Zone has been properly called, held and conducted, and the notice of such hearing has been published as required by law;

b. That the City has jurisdiction to hold and conduct this public hearing on the creation of the proposed Reinvestment Zone, pursuant to the ACT; and

c. That the Zone as described in Exhibit "A" and "B" hereto would be eligible for tax abatement pursuant to an Agreement as contemplated by the ACT and the improvements sought with respect to property located within the Zone are feasible and practical and would be a benefit to the land to be included in the Zone and to the municipality after the expiration of such and Agreement;

d. That the Reinvestment Zone, as defined in Exhibits "A" and "B", satisfied the requirements of Section 312.202 of the Code in that:

   1. The area will reasonably be likely, as a result of the designation, to contribute to the retention or expansion of primary employment, or to attract major investment in the Zone, that would be a benefit to the property and that would contribute to the economic development of the City.

SECTION 3. The City hereby created a Reinvestment Zone over the area described by the description in Exhibit "A", attached hereto and depicted in the drawing attached hereto as Exhibit "B" and such Reinvestment Zone shall hereafter be identified as the Industrial Reinvestment Zone, Number ____________________, City of Commerce, Texas, (the "Zone").

SECTION 4. The designation of the Zone shall expire five (5) years after the date of designation unless terminated sooner by subsequent ordinance.

SECTION 5. The Mayor is hereby authorized to enter into an Agreement on behalf of the City with certain owners of property located within the Zone substantially in the form proposed in the attached Exhibit "C".

SECTION 6. If any section, paragraph, clause or provision of this ordinance shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause or provision shall not affect any of the remaining provision of this ordinance.

SECTION 7. An emergency is apparent for the immediate preservation of order, health, safety and general welfare of the public, all rules and regulation requiring the reading of said ordinance more than one time and on more than one occasion are hereby suspended.

SECTION 8. It is hereby officially found, determined, and declared that a sufficient written notice of the date, hour, place and subject of the meeting of the City Council at which this ordinance was adopted was posed at a place convenient and readily accessible at all times to the general public at the city Hall of the City for the time required by law preceding this meeting, as required by the Open Meetings Law, Article 6252-17, Vernon's Annotated Civil Statutes, as amended, and that this meeting has been open to the public as required by law at all times during which this ordinance and the subject matter hereof has been discussed, considered, and formally acted upon. The City Council further ratifies, approves, and confirms such written notice and the contents and posting thereof.

SECTION 9. The contents of the notice of public hearing, which hearing was held before the City Council on the 5th day of December 2000, and the publication of said notices, it hereby ratified, approved, and confirmed.

BE IT FURTHER ORDAINED that all ordinances or parts of ordinances in conflict herewith are hereby expressly repealed.

PASSED AND APPROVED BY THE CITY OF COMMERCE, COMMERCE, TEXAS ON THIS THE 5TH DAY OF DECEMBER 2000.

ATTEST:

Marty Cunningham

Marty Cunningham, City Secretary

(seal)

CITY OF COMMERCE:

John R. Sands

John R. Sands, Mayor

I, Marty Cunningham, City Secretary for the City of Commerce, Texas, certify that the above is a true and correct copy of Ordinance and that the same has not been repealed and is in full force and effect.

Marty Cunningham

Marty Cunningham
City Secretary

(seal)

Sworn to and subscribed before me, on this the 11th day of December 2000 to certify which witness my hand and seal of office.

(seal)

MELISA POPE
NOTARY PUBLIC
STATE OF TEXAS
My Commission Expires 08-01-2004

Melisa C Pope

Notary Public
State of Texas

Ordinance/tax/ReinvestmentZoneOrdinance.1200

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 City of Commerce, 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.

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 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) <u>Discontinued Operation During the First Five Years of the Term of Agreement.</u> 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) <u>Discontinued Operation During the Second Five Years of the Term of Agreement.</u> 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 ful-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:

City of Commerce
1119 Alamo Street
Commerce, Texas 75428
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 ______day of ________________, 2000.

ATTEST:

____
City Clerk

GOVERNMENTAL UNIT:

____
John Sands, Mayor

APPROVED AS TO FORM:

____
City Attorney

OWNER:
TYCO Healthcare Group LP

By:______________________
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° 14' 26.5" N
Lon 95° 53' 27.1" W

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 Yarbro 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 Yarbro 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. 88 deg E., 1990 feet with middle of said road to corner at its intersection with the Southwesterly R.O.W. line of St. Loui 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. 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. 88 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 de 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 Yarbro 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

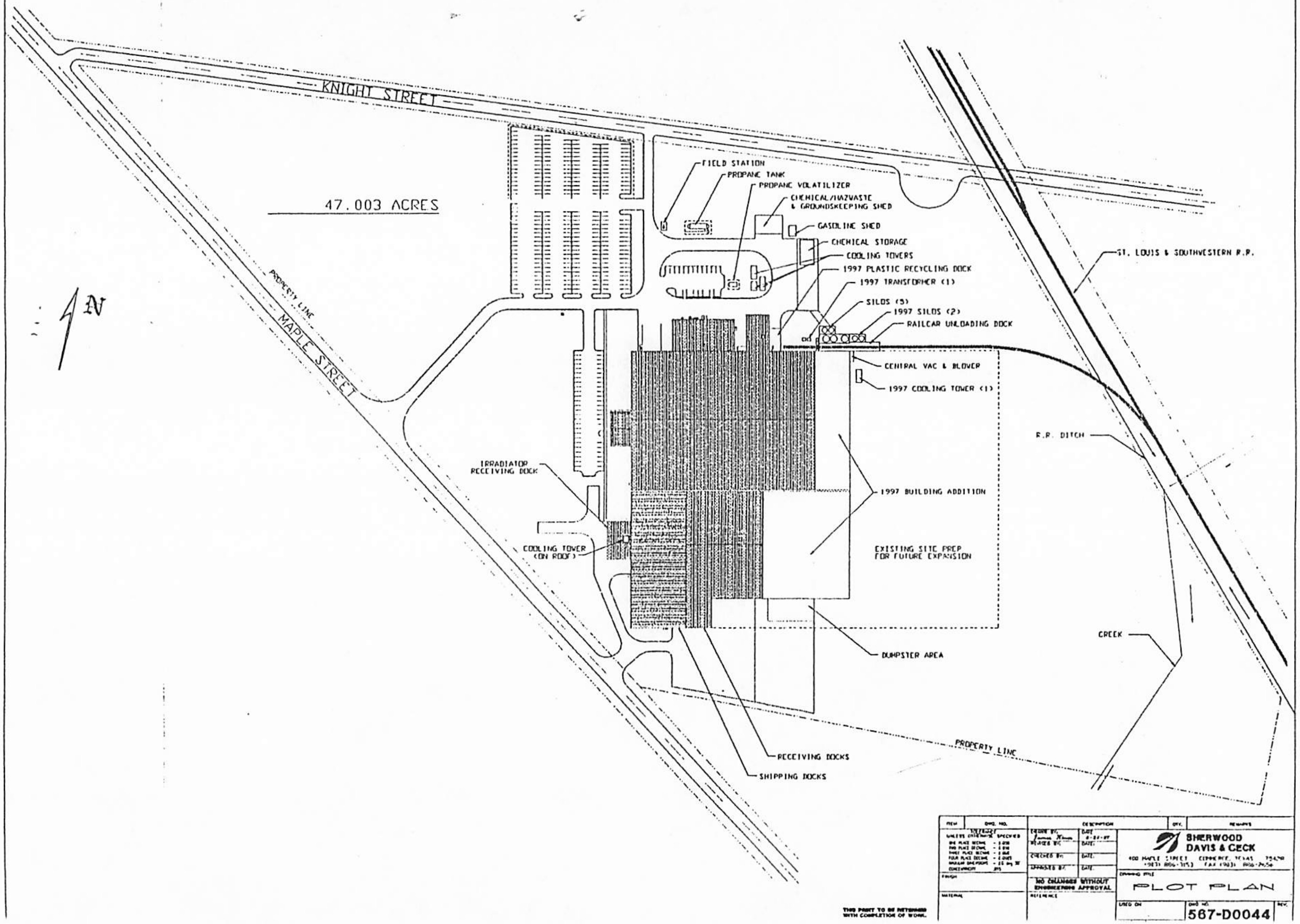
KNIGHT STREET
MAPLE STREET
PROPERTY LINE
47.003 ACRES
N
FIELD STATION
PROPANE TANK
PROPANE VOLATILIZER
CHEMICAL/HAZWASTE & GROUNDSKEEPING SHED
GASOLINE SHED
CHEMICAL STORAGE
COOLING TOWERS
1997 PLASTIC RECYCLING DOCK
1997 TRANSFORMER (1)
SILOS (5)
1997 SILOS (2)
RAILCAR UNLOADING DOCK
ST. LOUIS & SOUTHWESTERN R.R.
CENTRAL VAC & BLOWER
1997 COOLING TOWER (1)
R.R. DITCH
IRRADIATOR RECEIVING DOCK
1997 BUILDING ADDITION
COOLING TOWER (ON ROOF)
EXISTING SITE PREP FOR FUTURE EXPANSION
CREEK
DUMPSTER AREA
PROPERTY LINE
RECEIVING DOCKS
SHIPPING DOCKS
THIS PRINT TO BE RETURNED WITH COMPLETION OF WORK.
SHERWOOD DAVIS & GECK
PLOT PLAN
NO CHANGES WITHOUT ENGINEERING APPROVAL
567-D0044

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.