

**RESOLUTION NO.**

**A RESOLUTION OF THE COMMISSIONERS COURT OF HOPKINS COUNTY, TEXAS APPROVING A 381 AGREEMENT WITH LIBERTY INDUSTRIES REGARDING 100 ASSURANCE COURT AND AUTHORIZING THE COUNTY JUDGE TO ENTER INTO THE 381 AGREEMENT ON BEHALF OF THE COUNTY.**

**WHEREAS, it is in the best interest of Hopkins County, Texas, to promote local economic growth and development and to stimulate business in the County, and**

**WHEREAS, Hopkins County can promote economic growth and development by approving the 381 agreement with Liberty Industries; and,**

**WHEREAS, Hopkins County having reviewed the proposed 381 Agreement with Liberty Industries which is attached hereto as Exhibit "A, " and determined that it is appropriate that it be approved as a program to promote local economic growth and development and to stimulate business in the County and,**

**WHEREAS, upon full review and consideration of the agreement, and all matters attendant and related thereto, and is of the opinion that the terms and conditions thereof should be approved.**

**NOW, THEREFORE, BE IT RESOLVED** that The Commissioners Court of Hopkins County, Texas, hereby approves the Agreement and authorizes the County Judge to execute the Agreement and any other documents contemplated thereby and to do all things necessary for the fulfillment of the obligations of Hopkins County, Texas, under the terms of the Agreement.

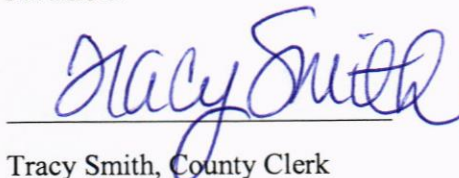
This resolution shall become effective from and after its passage.

PASSED and APPROVED this the 13th day of May 2025.



Robert Newsom, County Judge

ATTEST:



Tracy Smith, County Clerk



**HOPKINS COUNTY, TEXAS AND  
LIBERTY INDUSTRIES**

**CHAPTER 381 ECONOMIC DEVELOPMENT  
PROGRAM AND AGREEMENT**

**CHAPTER 381 ECONOMIC DEVELOPMENT PROGRAM AND AGREEMENT**

**HOPKINS COUNTY, TEXAS AND LIBERTY INDUSTRIES**

This CHAPTER 381 ECONOMIC DEVELOPMENT PROGRAM AND AGREEMENT (hereinafter referred to as the "Agreement") is made and entered into by and between the HOPKINS COUNTY, TEXAS, a Texas political subdivision (hereinafter referred to as the "County"), Liberty Industries Property, LLC (hereinafter referred to as the "Property Owner"), and Liberty Industries Investments, LLC d/b/a Liberty Trailers (hereinafter referred to as the "Operator"), for the purposes and considerations stated below:

**WHEREAS**, Property Owner has constructed a 150,000 sq. ft. trailer manufacturing facility at 100 Assurance Court, Sulphur Springs, Hopkins County, Texas 75482 (hereinafter referred to as the "Property") and has invested Ten Million Six Hundred Thousand and No/100 Dollars (\$10,600,000.00) in the construction of said facility; and

**WHEREAS**, Property Owner intends to lease the Property to Operator for the operation of a trailer manufacturing business (hereinafter referred to as the "Project"); and

**WHEREAS**, Operator has invested Eight Million Five Hundred Thousand and No/100 Dollars (\$8,500,000.00) in new manufacturing equipment for the Project and agrees to create and maintain seventy-five (75) new Full-Time Employment Positions during the Term of this Agreement; and

**WHEREAS**, the combined capital investment by Property Owner and Operator totals Nineteen Million One Hundred Thousand and No/100 Dollars (\$19,100,000.00), exceeding the minimum investment required under this Agreement; and

**WHEREAS**, Property Owner and Operator desire to enter into this Agreement pursuant to Chapter 381 of the Texas Local Government Code (hereinafter referred to as "Chapter 381"); and

**WHEREAS**, the County desires to provide, pursuant to Chapter 381, an incentive to Operator to operate the Project within the City of Sulphur Springs, Hopkins County, Texas, contingent upon Property Owner's continued ownership and leasing of the Property or its transfer to a successor; and

**WHEREAS**, the County has the authority under Chapter 381 to make grants of public funds for the purposes of promoting local economic development and stimulating business and commercial activity within the City of Sulphur Springs, Hopkins County, Texas; and

**WHEREAS**, the County has concluded and hereby finds that this Agreement clearly promotes economic development within the City of Sulphur Springs, Hopkins County, Texas, meets the requisites under Chapter 381, and is in the best interests of County, Property Owner, and Operator; and

**WHEREAS**, the County has concluded that this Agreement promotes economic development in the City of Sulphur Springs, Hopkins County, Texas, and meets the requirements of Article III, Section 52-a of the Texas Constitution by assisting in the development and diversification of the economy, eliminating unemployment or underemployment, and expanding commerce within the state.

**NOW, THEREFORE**, for and in consideration of the mutual benefits and promises contained herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the County, Property Owner, and Operator agree as follows:

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## **SECTION 1. FINDINGS INCORPORATED**

The foregoing recitals are hereby incorporated into the body of this Agreement and shall be considered part of the mutual covenants, consideration, and promises that bind the parties.

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## **SECTION 2. TERM**

This Agreement shall be effective as of the Effective Date, as defined herein, and shall continue thereafter until December 31, 2034, unless terminated sooner under the provisions hereof.

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## **SECTION 3. DEFINITIONS**

The following words shall have the following meanings when used in this Agreement:

- **Agreement:** This Chapter 381 Economic Development Program and Agreement, authorized pursuant to Chapter 381 of the Texas Local Government Code, together with all exhibits and schedules attached hereto, if any.
- **City:** The City of Sulphur Springs, Texas, a Texas home-rule municipality, in Hopkins County.
- **County:** Hopkins County, a Texas political subdivision, whose address for the purposes of this Agreement is 118 Church Street, Sulphur Springs, Texas 75482
- **Property Owner:** Liberty Industries Property, LLC, its successors and assigns, whose address for the purposes of this Agreement is 100 Assurance Court, Sulphur Springs, Texas 75482.
- **Operator:** Liberty Industries Investments, LLC d/b/a Liberty Trailers, its successors and assigns, whose address for the purposes of this Agreement is 100 Assurance Court, Sulphur Springs, Texas 75482.
- **Effective Date:** The date of the latter execution of this Agreement by and between Property Owner, Operator, and the County.

- **Event of Default:** Any of the Events of Default set forth below in the section entitled "Events of Default."
- **Full-Time Employment Position:** A job requiring a minimum of Two Thousand Eighty (2,080) hours of work averaged over a twelve (12) month period.
- **Personalty:** The taxable tangible personal property (new manufacturing equipment) located on the Property, owned by Operator, excluding inventory and supplies, and not including tangible personal property located on the Property prior to this Agreement.
- **Program Grant or Program Grant Payment:** The economic development grants paid by the County to Operator in accordance with this Agreement.
- **Project:** The operation of a trailer manufacturing business utilizing the 150,000 sq. ft. facility and new manufacturing equipment located on the Property.
- **Property:** The approximately 37.21-acre tract or tracts of land in Lot 2R of Assurance Business Park, City of Sulphur Springs, Hopkins County, Texas, located at 100 Assurance Court, Sulphur Springs, Texas 75482, owned by Property Owner.
- **Term:** The term of this Agreement as specified in Section 2.

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## SECTION 4. OBLIGATIONS OF PROPERTY OWNER AND OPERATOR

**A. Property Owner Covenants and Agreements:** Property Owner covenants and agrees with the County that, while this Agreement is in effect, it shall:

1. **Facility Construction:** Have completed construction of a 150,000 sq. ft. manufacturing facility on the Property, with a capital investment of Ten Million Six Hundred Thousand Dollars (\$10,600,000.00), evidenced by invoices, receipts, or other documentation submitted to the County by May 31, 2025.
2. **Certificate of Occupancy:** Obtain a Certificate of Occupancy for the facility from the County by May 31, 2025, and maintain it during the Term, or ensure its transferability to a successor Property Owner.
3. **Lease of Property:** Lease the Property to Operator or its assignee during the Term under terms sufficient to enable Operator to fulfill its obligations under this Agreement, or transfer such obligation to a successor Property Owner upon assignment.
4. **Taxes on Property:** Pay all ad valorem taxes due on the Property by January 31 of each year during the Term for the previous tax year and provide annual compliance verification by January 31, 2026, and annually thereafter, certifying the taxable appraised value and taxes paid to the County.
5. **Performance:** Comply with all terms, conditions, and provisions set forth in this Agreement.

**B. Operator Covenants and Agreements:** Operator covenants and agrees with the County that, while this Agreement is in effect, it shall:

1. **Equipment Investment:** Have invested Eight Million Five Hundred Thousand Dollars (\$8,500,000.00) in new manufacturing equipment for the Project, evidenced by invoices, receipts, or other documentation submitted to the County by May 31, 2025.
2. **Operation of Project:** Operate the Project on the Property during the Term.
3. **Job Creation and Retention:** By December 31, 2026, and throughout the Term, employ and retain a minimum of seventy-five (75) Full-Time Employment Positions on the Property with a minimum annual payroll of \$3,354,000. Beginning January 31, 2026, and annually thereafter, submit an Annual



Compliance Verification signed by a duly authorized representative certifying the number of Full-Time Employment Positions and average wages, supported by quarterly IRS 941 returns or Texas Workforce Commission Employer Quarterly Reports.

4. **Taxes on Personalty:** Pay all ad valorem taxes due on the Personalty by January 31 of each year during the Term for the previous tax year and provide annual compliance verification by January 31, 2026, and annually thereafter, certifying the taxable appraised value and taxes paid to the County.
5. **Performance:** Comply with all terms, conditions, and provisions set forth in this Agreement.

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## SECTION 5. OBLIGATIONS OF COUNTY

County covenants and agrees with Property Owner and Operator that, while this Agreement is in effect, it shall: **A. Program Grant Payment:**

1. **Conditions for Payment:** Provided Property Owner (or its assignee) maintains the Certificate of Occupancy (Section 4.A.2) and Operator (or its assignee) maintains the minimum Full-Time Employment Positions (Section 4.B.3), the County shall make Program Grant Payments to Operator (or its assignee) based on the ad valorem taxes paid on the Property (by Property Owner or its assignee) and Personalty (by Operator or its assignee) according to the following schedule:

### **Tax Year Percentage of County Ad Valorem Taxes Reimbursed**

2025	100%
2026	90%
2027	80%
2028	70%
2029	60%
2030	50%
2031	40%
2032	30%
2033	20%
2034	10%

2. **Payment Timing:** The County shall pay Operator (or its assignee) within thirty (30) days of receiving the latter of: (a) ad valorem taxes paid to the County for the Property and Personalty; and (b) Operator's Annual Compliance Verification.
3. **Limited Reimbursement:** The reimbursement applies only to taxes on the new facility constructed by Property Owner and new Personalty owned by Operator, not to existing improvements or real estate.

**B. Performance:** Comply with all terms, conditions, and provisions set forth in this Agreement.

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## SECTION 6. CESSATION OF ADVANCES

If the County has committed to advance financial assistance to Operator, it shall have no obligation to do so if: (i) Operator becomes insolvent, files a petition in bankruptcy, or is adjudged bankrupt; or (ii) an Event of Default occurs.

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## SECTION 7. EVENTS OF DEFAULT

Each of the following shall constitute an Event of Default:

- **General Event of Default:** Failure of Property Owner, Operator, or County to comply with or perform any term, obligation, covenant, or condition in this Agreement or any other agreement between the parties.
  - **False Statements:** Any warranty, representation, or statement made to County by Property Owner or Operator that is false or misleading in any material respect.
  - **Insolvency:** Insolvency of Property Owner or Operator, appointment of a receiver, assignment for creditors, or bankruptcy proceedings.
  - **Ad Valorem Taxes:** Failure of Property Owner or Operator to pay ad valorem taxes owed to the County and cure such failure within thirty (30) days after written notice from the County or Hopkins County Central Appraisal District.
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## SECTION 8. EFFECT OF AN EVENT OF DEFAULT

Upon an Event of Default, the non-defaulting party shall provide written notice, and the defaulting party shall have thirty (30) days to begin curing the default. If uncured, the non-defaulting party may terminate this Agreement, enforce specific performance, or pursue damages. If Operator defaults and fails to cure, the aggregate total of Program Grant Payments made to Operator shall become due and payable to the County.

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## SECTION 9. INDEMNIFICATION

Operator and Property Owner shall indemnify and hold harmless the County and its agents from claims related to tortious interference, negligent use of funds, or challenges to the Agreement's legality, except where caused by County's gross negligence or willful misconduct.

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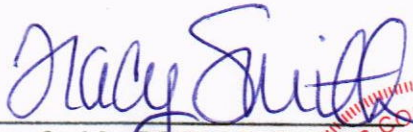
## SECTION 10. MISCELLANEOUS PROVISIONS


- **(a) Amendments:** This Agreement may only be amended in writing signed by all parties.
- **(b) Applicable Law and Venue:** Governed by Texas law, with venue in Hopkins County, Texas.

- **(c) Assignment:**
  - Operator may assign its rights and obligations under this Agreement to a successor entity with the express written consent of the County, which shall not be unreasonably withheld, conditioned, or delayed, provided the Property Owner (or its assignee) continues to lease the Property to the Operator's assignee under terms sufficient to meet the Agreement's requirements.
  - Property Owner may assign its rights and obligations under this Agreement to a successor entity with the express written consent of the County, which shall not be unreasonably withheld, conditioned, or delayed, provided the assignee assumes ownership of the Property and agrees to lease it to Operator (or its assignee) under terms sufficient to meet the Agreement's requirements.
  - Any assignee of Property Owner or Operator shall be bound by and entitled to the benefits of this Agreement as if an original signatory.
- **(d) Binding Obligation:** Binding upon execution by all signatories, with each party warranting authority to execute.
- **(e) Notices:** Delivered to:
  - Operator: Liberty Trailers, 100 Assurance Court, Sulphur Springs, Texas 75482, Attn: Mike Teso
  - Property Owner: Liberty Industries Property, LLC, 100 Assurance Court, Sulphur Springs, Texas 75482, Attn: Mike Teso
  - County: Hopkins County, Texas, 118 Church Street, Sulphur Springs, Texas 75482, Attn: Judge Robert Newsom
- **(f) Lease Requirement:** Property Owner (or its assignee) shall lease the Property to Operator (or its assignee) during the Term under terms enabling Operator to fulfill its obligations under this Agreement. Upon assignment of Property Owner's role, the assignee shall assume this lease obligation.

THE PARTIES ACKNOWLEDGE HAVING READ ALL THE PROVISIONS OF THIS AGREEMENT, AND THE PARTIES AGREE TO ITS TERMS. THIS AGREEMENT IS EFFECTIVE AS OF THE EFFECTIVE DATE AS DEFINED HEREIN.

ATTEST:

  
\_\_\_\_\_  
Tracy Smith, COUNTY CLERK



SIGNATURES:

COUNTY: Hopkins County, Texas

By:   
\_\_\_\_\_  
Robert Newsom, COUNTY JUDGE

Date Signed: 5-13-25

PROPERTY OWNER: Liberty Industries  
Property, LLC

By:   
\_\_\_\_\_  
Mike Teso

Date Signed: 5/12/25

OPERATOR: Liberty Industries Investments,  
LLC d/b/a Liberty Trailers

By:   
\_\_\_\_\_  
Mike Teso

Date Signed: 5/12/25

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