

**MEMORANDUM OF AGREEMENT BETWEEN
THE STATE OF ALABAMA DEPARTMENT OF FINANCE
AND HOMTEX INCORPORATED
FOR THE DISTRIBUTION OF CORONAVIRUS RELIEF FUNDS**

This Memorandum of Agreement is made by and between the State of Alabama Department of Finance, at 600 Dexter Avenue, Montgomery, Alabama 36130 ("DOF") and HomTex Inc., an Alabama corporation at 2125 2nd Avenue SW, Cullman, Alabama 35055 ("HomTex"). This agreement becomes effective upon approval of the Governor. DOF and HomTex are hereinafter collectively referred to as the "parties."

I. PURPOSE

The federal Coronavirus Aid, Relief, and Economic Security Act ("CARES Act") established the Coronavirus Relief Fund ("CRF"). The CARES Act appropriated \$150,000,000,000 to the CRF to make payments to State, local, and tribal governments for the purposes enumerated in the CARES Act, namely to respond to and mitigate the coronavirus pandemic. The State of Alabama received approximately \$1,900,000,000 from the CRF. CRF funds may only be used to cover costs that 1) are necessary expenditures incurred due to the public health emergency with respect to the Coronavirus Disease 2019 (COVID-19); 2) were not accounted for in the budget most recently approved as of March 27, 2020 (the date of enactment of the CARES Act) for the State or government; and 3) were incurred during the period that begins on March 1, 2020, and ends on December 30, 2020.

Alabama Act 2020-199 divided the State of Alabama's share of CRF funds into ten categories and charged DOF with the responsibility of administering the funds on behalf of the people of Alabama. One such category provides, "Up to \$300,000,000 to be used to support citizens, businesses, and non-profit and faith-based organizations of the state directly impacted by the coronavirus pandemic." HomTex is requesting, and DOF is agreeing to provide, \$10,572,100.00 from this category of CRF funds to support HomTex's proposed Personal Protective Equipment ("PPE") production project as described herein. Quotes for the production equipment are attached hereto as Appendix A.

II. PROJECT DESCRIPTION

When COVID-19 emerged, HomTex entered the PPE production industry and began producing disposable medical grade masks and reusable, washable cotton masks at its existing facility in Cullman, Alabama. Using the funds provided under this agreement, HomTex will utilize \$9,572,100.00 to purchase mask production equipment and \$1,000,000 to purchase materials for the production of 3-ply face masks (general purpose and FDA approved level 1, 2, and 3) and N95 masks. HomTex will open a new PPE production facility in Selma, Alabama and begin production of 3-ply and N95 masks for healthcare providers, government agencies, and the general public. At its new facility in Selma, HomTex will have annual production capacity of approximately 250,000,000 3-ply masks and 45,000,000 N95 masks.

PPE is an essential element in the fight against COVID-19, and HomTex's proposed expansion of its production capabilities will assist the State of Alabama and the nation in meeting the increased demand for PPE and will reduce the State and nation's reliance on foreign suppliers of PPE. The cost and description of the production equipment to be purchased with CRF funds provided under this agreement are included in Appendix A to this agreement.

DOF has concluded that HomTex's project proposal, as described herein and in Appendix A, is necessary to respond to and mitigate the coronavirus pandemic in Alabama. Further, DOF concludes that funding the project using the State's CRF funds is an appropriate use of said funds under both federal and state law. DOF fully supports HomTex in its efforts to support and protect the citizens of Alabama against the COVID-19 pandemic.

III. PARTIES' RESPONSIBILITIES

A. HomTex agrees to the following:

1. To purchase the equipment and implement the proposed project as described herein and in Appendix A;
2. To open a PPE production facility in Selma, Alabama, and begin producing, at a minimum, 3-ply and N95 masks as soon as practicable;
3. To use the funds provided by DOF under this agreement in accordance with Federal and State law and for the purposes set forth in this agreement and for no other purpose;
4. Beginning on December 1, 2020, to provide to the State Finance Director's Office a monthly report detailing the progress of and expenditures made on the project for the preceding month and continuing until the conclusion of the project by either completion or termination;
5. Upon request of DOF and to further its compliance with the law and audit requirements of CRF funds, to provide, within a reasonable time, documents and/or substantiating records of purchases made with the funds provided under this agreement.
6. To return any funds provided by DOF under this agreement that are unspent as of December 30, 2020.

B. DOF agrees to provide \$10,572,100.00 to HomTex from the State's CRF funds to fund HomTex's project as described herein and in Appendix A and for no other purpose.

IV. FINANCIAL ARRANGEMENTS

The parties agree that approximately fourteen days after the effective date of this agreement, DOF will provide funding under this agreement to HomTex towards the

commencement of the project described herein. HomTex acknowledges that all funds provided under this agreement must be spent or returned to DOF by December 30, 2020. Reimbursements or invoice payments may not occur after that date. HomTex may employ outside accountants to assist with the administration of these funds, however, such accountants must meet and comply with audit requirements for use of funds under the CARES Act.

V. AMENDMENT OF AGREEMENT

This Agreement may be amended only by a writing signed by each party or representatives of each party and, if applicable, approved by the Governor.

VI. TERMINATION OF AGREEMENT

Except as set forth in this section, this agreement may be terminated only by a writing signed by each party or representatives of each party. If HomTex determines that it will not pursue this project for whatever reason, it may terminate this agreement upon written notice to the State Finance Director and upon return of any unspent funds. If DOF concludes, after a reasonable investigation and in its sole discretion as administrator of the funds, that the funds provided hereunder have been used in a manner inconsistent with federal or state law, DOF may terminate this agreement immediately upon written notice to HomTex and in such event, HomTex agrees to return any remaining unspent funds to DOF.

VII. MISCELLANEOUS PROVISIONS

A. The terms and commitments contained herein shall not constitute a debt of the State of Alabama, which is prohibited by Section 213 of the Official Recompilation of the Constitution of Alabama, 1901, as amended by Amendment No. 26.

B. By signing this contract, the contracting parties affirm, for the duration of this Agreement, that they will not violate federal immigration law or knowingly employ, hire for employment, or continue to employ an unauthorized alien within the State of Alabama. Furthermore, a contracting party found to be in violation of this provision shall be deemed in breach of this Agreement and shall be responsible for all damages resulting therefrom.

C. In the event of any dispute between the parties, senior officials of both parties shall meet and engage in a good faith attempt to resolve the dispute. Should that effort fail, and the dispute involves the payment of money, HomTex's sole remedy is the filing of a claim with the Board of Adjustment of the State of Alabama. For any and all other disputes arising under the terms of this contract which are not resolved by negotiation, the parties agree to utilize appropriate forms of non-binding alternative dispute resolution including, but not limited to, mediation. Such dispute resolution shall occur in Montgomery, Alabama, utilizing where appropriate, mediators selected from the roster of mediators maintained by the Center for Dispute Resolution of the Alabama State Bar.


D. Notwithstanding any other provision of this agreement, DOF does not waive any of its rights to pursue any and all remedies available to it under the law. Further, nothing in this

agreement is intended to waive, and DOF does not waive its right to assert, sovereign immunity in any action brought against it under this Agreement.

E. In order to comply with federal requirements relating to the administration of grants and other federal assistance funds, DOF provides the following information to HomTex: This subaward is provided to HomTex through a grant to the State of Alabama in the amount of \$1,901,262,000 from the U.S. Treasury via Section 601(a)(1) of the Social Security Act (42 U.S.C. 301 et seq.), known as the Coronavirus Relief Fund, as created by Section 5001 of the CARES Act, Pub. L. No. 116-136 (March 27, 2020) under Federal Award Identification Number SLT0002 and SLT0223, CFDA #21.019 Coronavirus Relief Fund for the period March 1, 2020 to December 30, 2020. This subaward is provided in accordance with the requirements set forth in the CARES Act and other applicable federal and state law and policy, and HomTex affirms that all information it has provided to DOF relating to this subaward is true and accurate. This subaward does not include research and development. The parties acknowledge and understand that each subrecipient of CRF funds will be evaluated in accordance with Code of Federal Regulations, Title 2, § 200.331(b) for risk of noncompliance with federal statutes, regulations, and the terms and conditions of the subaward. Further, each subrecipients' activities will be monitored as necessary to ensure that the subaward is used for authorized purposes, in compliance with law, and that subaward performance goals are achieved. Other monitoring tools may be implemented depending on the level of risk posed by the subrecipient.


In witness whereof, the parties hereto have caused this agreement to be executed by those officers, officials, and persons thereunto duly authorized on this 4 day of November, 2020.

State of Alabama
Department of Finance



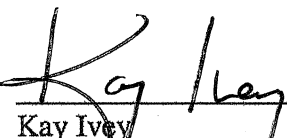
Kelly Butler
Finance Director

HomTex Inc.



Gerald E. Wootten Jr.
CEO

APPROVED:



Kay Ivey
Governor of Alabama

INTERNATIONAL
(334) 222-2451

TOLL FREE
(800) 824-5113
(800) 932-0507



INTERNATIONAL FAX
(334) 222-3738

TOLL FREE FAX
(800) 239-8398
(800) 511-3935

1 WAITS DRIVE INDUSTRIAL PARK
P.O. BOX 967 ANDALUSIA, ALABAMA 36420 USA
email: FRANK@hendersonsewing.com
EIN #: 63-0746734

QUOTE	
Date: November 3, 2020 Number: 777445-200	E-mail: frank@hendersonsewing.com Website: http://www.hendersonsewing.com
To: HOMTEX <i>Cullman, Al</i> Phone: E-mail:	Ship to: SELMA, AL

SALES PERSON	CONTACT	DATE SHIPPED	SHIPPED VIA	F.O.B.	TERMS
Frank Henderson	Jerry Wootten Jeremy Wootten	TBD	Expedited	DDP Selma, AL	50% Upon Issuance of PO Balance 30 Days After PO or at Time of Shipping, whichever is First
QTY.	DESCRIPTION	UNIT PRICE	DELIVERY		
15	AUTOMATIC MACHINE FOR THE MANUFACTURING OF PROTECTIVE FACE MASKS Brand: Advantage Machinery Model : MMM-110 Reference: PI 20-103060NG_PI	\$357,000.00	\$ 5,355,000.00		
30	INLINE FLOW WRAPPING MACHINE Brand: Advantage Machinery Model : FW-50M Reference: PI 20-102951NG_PI	\$30,500.00	\$ 915,000.00		
2	AUTOMATIC CASE ERECTING SYSTEM Brand: Advantage Machinery Model : CE-12A + CS-TSC Reference: PI 20-102954NG_PI	\$67,900.00	\$ 135,800.00		
20	MODEL 200-12" WIDE - 40'0" LONG (480" OAH) CONVEYORS	\$7,700.00	\$ 154,000.00		
1	TURNKEY SOLUTION FOR 2 SETS OF CARTONIZING AND PALLETIZING ROBOTS Brand: Universal Robots Model : UR-5e and UR-10e	\$499,500.00	\$ 499,500.00		
1	SEMI-AUTOMATIC STRETCH WRAPPER Brand: Advantage Machinery Model: PSW-Eco	\$7,700.00	\$ 7,700.00		
1	SEMI-AUTOMATIC CASE ERECTOR AND CARTON SEALER Brand: Advantage Machinery Model: CE-10M + CS-TSC + Flex Conveyor	\$9,750.00	\$ 9,750.00		
2	AUTOMATIC POINT OF SALE (POS) BOX ERECTING SYSTEM Brand: Advantage Machinery Model: CE-12A + CS-TSC Reference: PI 20-102954NG_PI	\$175,000.00	\$ 350,000.00		
TOTAL			\$ 7,426,750.00		

INTERNATIONAL
(334) 222-2451

TOLL FREE
(800) 824-5113
(800) 932-0507



INTERNATIONAL FAX
(334) 222-3738

TOLL FREE FAX
(800) 239-8398
(800) 511-3935

1 WAITS DRIVE INDUSTRIAL PARK
P.O. BOX 967 ANDALUSIA, ALABAMA 36420 USA
www.hendersonsewing.com

email: FRANK@hendersonsewing.com
EIN #: 63-0746734

QUOTE	
Date: November 3, 2020 Number: 777445-100	E-mail: frank@hendersonsewing.com Website: http://www.hendersonsewing.com
To: HOMTEX <i>Cullman, Al</i> Phone: E-mail:	Ship to: SELMA, AL

SALES PERSON	CONTACT	DATE SHIPPED	SHIPPED VIA	F.O.B.	TERMS
Frank Henderson	Jerry Wootten Jeremy Wootten	TBD	Expedited	DDP Selma, AL	50% Upon Issuance of PO Balance 30 Days After PO or at Time of Shipping, whichever is First
QTY.	DESCRIPTION	UNIT PRICE	DELIVERY		
6	CUP FORMING MACHINE Finished Mask Size: 140x120x50mm Max. Output 10pcs per Minute	\$120,000.00	\$ 720,000.00		
6	ULTRASONIC MACHINE TO PRE-FOLD THE CUP COVER	\$54,000.00	\$ 324,000.00		
6	BUILT-IN OUTER NOSE CLIP DEVICE Nose Clip: 5mm; Length: 90mm Material is Aluminum Metal Strip	\$42,000.00	\$ 252,000.00		
6	BUILT-IN PAD PRINTING DEVICE Working Size: 70x70mm	\$24,000.00	\$ 144,000.00		
6	STAPLE HEADBAND MACHINE Metal Staple Length: 7mm	\$22,000.00	\$ 132,000.00		
6	AUTOMATIC TRANSFER SYSTEM Max Output 10pcs per Minute	\$18,000.00	\$ 108,000.00		
6	BUILT-IN NOSE FOAM DEVICE Automatically Past Nose Foam on Inside of Mask	\$20,000.00	\$ 120,000.00		
6	INLINE FLOW WRAPPING MACHINE Brand: Advantage Machinery Model: FW-50M Reference: PI 20-102951NG_PI	\$30,500.00	\$ 183,000.00		
1	AUTOMATIC CASE ERECTING SYSTEM Brand: Advantage Machinery Model: CE-12A + CS-TSC Reference: PI 20-102954NG_PI	\$67,900.00	\$ 67,900.00		
10	MODEL 200-12" WIDE - 40'0" LONG (480" OAHL) CONVEYORS	\$7,700.00	\$ 77,000.00		
1	SEMI-AUTOMATIC STRETCH WRAPPER Brand: Advantage Machinery Model: PSW-Eco	\$7,700.00	\$ 7,700.00		
1	SEMI-AUTOMATIC CASE ERECTOR AND CARTON SEALER Brand: Advantage Machinery Model: CE-10M + CS-TSC + Flex Conveyor	\$9,750.00	\$ 9,750.00		
TOTAL			\$ 2,145,350.00		