

NAVARRO COUNTY COMMISSIONER'S COURT

A REGULAR MEETING OF THE NAVARRO COUNTY COMMISSIONER'S COURT WAS HELD ON MONDAY, 10TH DAY OF SEPTEMBER, 2007 AT 10:00 A.M., IN THE NAVARRO COUNTY COURTHOUSE, CORSICANA, TEXAS. PRESIDING JUDGE H.M. DAVENPORT, COMMISSIONER'S PRESENT KIT HERRINGTON, FAITH HOLT, WILLIAM BALDWIN, AND JAMES OLSEN.

1. MOTION TO CONVENE BY BALDWIN SEC BY OLSEN  
ALL VOTED AYE
2. PRAYER BY COMMISSIONER BALDWIN
3. PLEDGE OF ALLEGIANCE
4. PUBLIC COMMENTS- KYLE WARE INFORMED COURT EMERGENCY DISTRICT INFORMATION MEETING SAT. OCT. 13, 2007 @ 2:00P.M. IN KERENS AT KERENS ISD

**CONSENT AGENDA**

- ITEMS 5-12, 17 & 18 WITH ITEMS 13, 14, 15, 16 BEING TABLED MOTION TO APPROVE CONSENT AGENDA BY HOLT SEC BY BALDWIN  
ALL VOTED AYE
5. MOTION TO APPROVE THE MINUTES FROM THE PREVIOUS MEETING OF AUGUST 27, 2007, AUGUST 28, 2007, SEPTEMBER 5, 2007, & SEPTEMBER 6, 2007
  6. MOTION TO APPROVE AND PAY BILLS AS SUBMITTED BY THE COUNTY AUDITOR
  7. MOTION TO APPROVE TAX REPORT FOR AUGUST, 2007 FROM RUSSELL P. HUDSON **TO WIT PG 152-156**
  8. MOTION TO APPROVE THE MINUTES OF THE AUGUST 2, 2007, PLANNING AND ZONING MEETING **TO WIT PG157-158**
  9. MOTION TO APPROVE A REPLAT OF LOTS 12, 13, 14, & 15 OF THE WOODS AT RICHLAND CHAMBERS PHASE II BY GEORGE BAUM
  10. MOTION TO APPROVE SPECIAL USE PERMIT #08-07-357 FOR KEITH PHILLIPS. THIS REQUEST IS FOR A STORAGE BUILDING WITH A

VARIANCE TO BE LOCATED ON LOT 5 OF MATTIE CASTON SHORES  
PHASE II

11. MOTION TO APPROVE REPLAT OF LOTS 355, 356, AND 357 OF THE SHORES ON RICHLAND CHAMBERS LAKE PHASE III BY GEORGE SPENCER
12. MOTION TO APPROVE SPECIAL USE PERMIT #08-07-359 FOR JEFFERY K. KELLY AND CAROL TURNER. THIS REQUEST IS FOR A WATER WELL TO BE LOCATED ON 28A OF VILLAGE WOODS
13. MOTION TO TABLE PETITION FOR THE CREATION OF A PUBLIC IMPROVEMENT DISTRICT BY RICK MAY, TO BE KNOWN AS NAVARRO COUNTY PUBLIC IMPROVEMENT DISTRICT NO. 1 CONSISTING OF 41.2126 ACRES LOCATED AT 10000 SPUR 294
14. MOTION TO TABLE ZONING CHANGE #08-07-358 FOR SOUTHPORT MARINA DBA NORTHSHORE HARBOR CLUB. THIS REQUEST IS AN AMENDMENT TO THE SOUTHPORT MARINA PLANNED DEVELOPMENT DISTRICT. THIS PROPERTY CONSISTS OF 41.27 ACRES IN THE ROBERT CARADINE SURVEY LOCATED AT 1000 SPUR 294
15. MOTION TO TABLE CANCELLATION OF THE PLAT FOR SOUTHPORT MARINA. THIS PROPERTY CONSISTS OF 11.30 ACRES IN THE ROBERT CARADINE SURVEY LOCATED AT 10000 SPUR 294
16. MOTION TO TABLE FINAL PLAT FOR SOUTHPORT MARINA DBA NORTHSHORE HARBOR CLUB BY RICK MAY. THIS PROPERTY CONSISTS OF 41.27 ACRES IN THE ROBERT CARADINE SURVEY LOCATED AT 10000 SPUR 294
17. MOTION TO APPROVE A VARIANCE FOR SPECIAL USE PERMIT #'S 07-07-354, 07-07-353 AND 07-07-352 FOR ATOKA OPERATING, INC.
18. MOTION TO APPROVE A FINAL PLAT FOR EUREKA MEADOW PHASE IV FOR PHILIP CROWELL WITH CONTIGENCE ON RECOMMENDATION FROM ENGINEER DATA

**REGULAR AGENDA ITEMS**

19. STRIKE MOTION TO APPROVE AMENDMENTS TO THE COUNTY OF NAVARRO RULES, REGULATIONS AND SPECIFICATIONS FOR SUBDIVISIONS AND MANUFACTURED HOME RENTAL COMMUNITITES
-

20. MOTION TO APPROVE RE-SCHEDULING THE MONDAY, SEPTEMBER 24, 2007 MEETING TO FRIDAY, SEPTEMBER 21, 2007 AT 3:00 P.M. BY BALDWIN SEC BY OLSEN  
ALL VOTED
  21. MOTION TO APPROVE ACCEPTING ROADS IN PRECINCT #1 NECR 1030A, NECR 1030B, NECR 1030C, NECR 1030D, NECR 1030E, NECR 1056 & NWCR 0185 BY HERRINGTON SEC BY HOLT  
ALL VOTED AYE
  22. MOTION TO APPROVE INTERLOCAL AGREEMENT FOR RICE ISD PRESENTED BY RUSSELL P. HUDSON BY OLSEN SEC BY HERRINGTON  
ALL VOTED AYE TO WIT PG 159-161
  23. MOTION TO APPROVE PERMITTING FOR CULVERTS WITH NECESSARY CHANGES MINIMUM CULVERT 15 X 24 BY HOLT SEC BY BALDWIN  
ALL VOTED AYE
  24. PUBLIC HEARING TO CONSIDER UPDATES TO THE NAVARRO COUNTY ON-SITE SEWAGE FACILITY ORDER
  25. MOTION TO APPROVE UPDATES TO THE NAVARRO COUNTY ON-SITE SEWAGE FACILITY ORDER BY OLSEN SEC BY HERRINGTON  
ALL VOTED AYE TO WIT PG162-166
  26. MOTION TO APPROVE AMENDMENTS TO THE COUNTY OF NAVARRO RULES, REGULATIONS AND SPECIFICATIONS FOR SUBDIVISIONS AND MANUFACTURED HOME RENTAL COMMUNITIES WITH AMENDING PLAT SIZE TO 18 X 24 BY BALDWIN SEC BY HOLT  
ALL VOTED AYE TO WIT PG 167-171
  27. MOTION TO TABLE XTO ENERGY BY HOLT SEC BY BALDWIN  
ALL VOTED AYE
  28. MOTION TO APPROVE ACCEPTANCE OF CONTRACT AND CONSUMMATION OF TRANSACTION ON SALE OF PRECINCT #1 BARN BY HERRINGTON SEC BY BALDWIN TO WIT PG 172-197  
ALL VOTED AYE
  29. PUBLIC HEARING ON TAX INCREASE
-

30. MOTION TO ADJOURN BY HOLT SEC BY OLSEN  
ALL VOTED AYE

THESE MINUTES ARE HEREBY APPROVED THIS 21 DAY OF  
SEPTEMBER 2007.

JUDGE HM DAVENPORT [Signature]

COMR. PCT. 1 KIT HERRINGTON [Signature]

COMR. PCT. 2 FAITH HOLT [Signature]

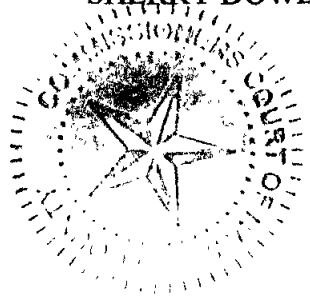
COMR. PCT. 3 WILLIAM BALDWIN [Signature]

COMR. PCT. 4 JAMES OLSEN [Signature]

I, SHERRY DOWD, NAVARRO COUNTY CLERK, ATTEST THAT THE  
FOREGOING IS A TRUE AND ACCURATE ACCOUNTING OF THE  
COMMISSIONERS COURT'S AUTHORIZED PROCEEDING FOR SEPTEMBER 10,  
2007

SIGNED 21 DAY OF SEPTEMBER 2007

[Signature]  
SHERRY DOWD, COUNTY CLERK



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I, RUSSELL P HUDSON, NAVARRO COUNTY TAX ASSESSOR/COLLECTOR, DO HEREBY SWEAR UNDER OATH,  
THAT THE ATTACHED REPORT IS A TRUE AND CORRECT REPORT.

TOTAL PAGES INCLUDING COVER SHEET 5

NAVARRO COUNTY, TEXAS  
AD VALOREM TAXES COLLECTED DURING THE MONTH ENDING AUGUST 2007

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DESCRIPTION	TAXES	DISCOUNT	PENALTY & INTEREST	SUBTOTAL	COLLECTION FEE	NET TAXES DUE	MEMO ONLY ATTY FEES	% CURRENT COLLECTED
<b>NAVARRO COUNTY</b>								LEVY
CURRENT	82,615.17		15,903.18	98,518.35	237.69	98,280.66	19,588.73	11,705,945.16
DELINQUENT	16,432.45		7,052.81	23,485.26	469.70	23,015.56	4,350.11	%
<b>TOTAL</b>	<b>99,047.62</b>	<b>-</b>	<b>22,955.99</b>	<b>122,003.61</b>	<b>707.39</b>	<b>121,296.22</b>	<b>23,938.84</b>	<b>0.71%</b>
<b>STATE</b>								
<b>DELINQUENT</b>								
<b>NAVARRO COLLEGE</b>								LEVY
CURRENT	18,683.57		3,552.16	22,235.73	2,679.97	19,555.76	4,441.25	2,644,287.80
DELINQUENT	3,768.06	-	1,544.42	5,312.48	405.02	4,907.46	1,014.93	%
<b>TOTAL</b>	<b>22,451.63</b>	<b>-</b>	<b>5,096.58</b>	<b>27,548.21</b>	<b>3,084.99</b>	<b>24,463.22</b>	<b>5,456.18</b>	<b>0.71%</b>
<b>CITY OF RICE</b>								LEVY
CURRENT	2,080.69	-	394.04	2,474.73	143.06	2,331.67	494.94	64,141.16
DELINQUENT	53.10		17.77	70.87	4.72	66.15	14.16	%
<b>TOTAL</b>	<b>2,133.79</b>	<b>-</b>	<b>411.81</b>	<b>2,545.60</b>	<b>147.78</b>	<b>2,397.82</b>	<b>509.10</b>	<b>3.24%</b>
<b>CITY OF KERENS</b>								LEVY
CURRENT	3,433.26		648.25	4,081.51	179.24	3,902.27	816.28	198,858.72
DELINQUENT	582.73	-	284.01	866.74	73.91	792.83	127.36	%
<b>TOTAL</b>	<b>4,015.99</b>	<b>-</b>	<b>932.26</b>	<b>4,948.25</b>	<b>253.15</b>	<b>4,695.10</b>	<b>943.64</b>	<b>1.73%</b>
<b>CITY OF CORSICANA</b>								LEVY
CURRENT	30,109.19	-	5,729.82	35,839.01	1,583.08	34,255.93	7,183.06	6,253,983.84
DELINQUENT	6,873.30	-	3,029.77	9,903.07	791.81	9,111.26	1,754.35	%
<b>TOTAL</b>	<b>36,982.49</b>	<b>-</b>	<b>8,759.59</b>	<b>45,742.08</b>	<b>2,374.89</b>	<b>43,367.19</b>	<b>8,937.41</b>	<b>0.48%</b>

NAVARRO COUNTY, TEXAS  
AD VALOREM TAXES COLLECTED DURING THE MONTH ENDING  
AUGUST 2007

DESCRIPTION	TAXES	DISCOUNT	PENALTY & INTEREST	SUBTOTAL	COLLECTION FEE	NET TAXES DUE	MEMORANDUM ATTORNEY FEES	% CURRENT COLLECTED
<b>CITY OF DAWSON</b>								LEVY
CURRENT	344.15		65.34	409.49	18.07	391.42	81.90	59,126.08
DELINQUENT	91.79		86.63	178.42	22.12	156.30	30.36	%
TOTAL	435.94	-	151.97	587.91	40.19	547.72	112.26	0.58%
<b>BLOOMING GROVE ISD</b>								LEVY
CURRENT	13,669.54		2,629.78	16,299.32	725.80	15,573.52	3,297.16	1,409,893.29
DELINQUENT	1,933.36		1,027.21	2,960.57	266.45	2,694.12	649.73	%
TOTAL	15,602.90	-	3,656.99	19,259.89	992.25	18,267.64	3,946.89	0.97%
<b>DAWSON ISD</b>								LEVY
CURRENT	11,043.10	-	2,059.84	13,102.94	570.11	12,532.83	2,586.15	808,559.63
DELINQUENT	427.30	-	222.89	650.19	57.88	592.31	118.36	%
TOTAL	11,470.40	-	2,282.73	13,753.13	627.99	13,125.14	2,704.51	1.37%
<b>RICE ISD</b>								LEVY
CURRENT	14,917.41		2,816.65	17,734.06	778.74	16,955.32	3,546.72	958,407.00
DELINQUENT	3,539.76		1,205.31	4,745.07	319.03	4,426.04	808.73	%
TOTAL	18,457.17	-	4,021.96	22,479.13	1,097.77	21,381.36	4,355.45	1.56%
<b>CITY-BLOOMING GROVE</b>								LEVY
CURRENT	967.68		183.42	1,151.10	50.69	1,100.41	230.22	75,312.48
DELINQUENT	389.57		192.87	582.44	50.16	532.28	91.81	%
TOTAL	1,357.25	-	376.29	1,733.54	100.85	1,632.69	322.03	1.28%

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NAVARRO COUNTY, TEXAS  
AD VALOREM TAXES COLLECTED DURING THE MONTH ENDING AUGUST 2007

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DESCRIPTION	TAXES	DISCOUNT	PENALTY & INTEREST	SUBTOTAL	COLLECTION FEE	NET TAXES DUE	MEMO ONLY ATTY FEES	% CURRENT COLLECTED
<b>CITY OF BARRY</b>								LEVY
CURRENT				-		-		12,232.53
DELINQUENT				-		-		%
TOTAL	-	-	-	-	-	-	-	0.00%
<b>CITY OF EMHOUSE</b>								LEVY
CURRENT	66.94	-	12.28	79.22	3.41	75.81	15.84	7,635.82
DELINQUENT	38.10		20.57	58.67	5.33	53.34	11.73	%
TOTAL	105.04	-	32.85	137.89	8.74	129.15	27.57	0.88%
<b>CITY OF RICHLAND</b>								LEVY
CURRENT	142.33	-	27.04	169.37	7.48	161.89	33.88	11,493.85
DELINQUENT	82.12		40.59	122.71	10.57	112.14	23.68	%
TOTAL	224.45	-	67.63	292.08	18.05	274.03	57.56	1.24%
<b>CITY OF GOODLOW</b>								LEVY
CURRENT	78.48	-	14.91	93.39	4.12	89.27	18.67	2,521.14
DELINQUENT	53.40		19.66	73.06	5.18	67.88	14.62	%
TOTAL	131.88	-	34.57	166.45	9.30	157.15	33.29	3.11%
<b>GRAND TOTAL</b>	<b>212,416.55</b>		<b>48,781.22</b>	<b>261,197.77</b>	<b>9,463.34</b>	<b>251,734.43</b>	<b>51,344.73</b>	<b>YR-TO-DATE%</b>

MEMO:  
 TOTAL COLLECTED 312,542.50  
 ROLLBACK TAXES -  
 TAX CERTIFICATES 1,670.00  
 HOT CK FEES 0.00

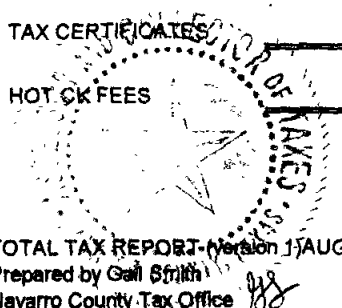
SUPPLEMENTAL CHANGES:

COUNTY	<u>(1,574.69)</u>	BARRY	<u>                    </u>
COLLEGE	<u>(356.06)</u>	EMHOUSE	<u>                    </u>
RICE	<u>                    </u>	RICHLAND	<u>(36.58)</u>
KERENS	<u>                    </u>	GOODLOW	<u>                    </u>
CORSICANA	<u>(1,040.44)</u>	*DAWSON	<u>                    </u>
*BG ISD	<u>(217.31)</u>	*DAWSON ISD	<u>                    </u>
*RICE ISD	<u>                    </u>	**BLOOMING GR.	<u>                    </u>

**CURRENT COLLECTED**

COUNTY	97.03%
COLLEGE	96.97%
RICE	94.95%
KERENS	92.80%
CORSICANA	97.83%
BARRY	95.56%
EMHOUSE	91.96%
RICHLAND	93.20%
GOODLOW	72.06%
*DAWSON	93.08%
*BG ISD	95.84%
*DAWSON ISD	94.70%
*RICE ISD	93.93%

\*BEGINNING DATE OF COLLECTION BY NAVARRO COUNTY FOR THESE ENTITIES SEPT 1, 2005  
 \*\*BEGINNING DATE OF COLLECTION BY NAVARRO COUNTY FOR THIS ENTITY JULY 1, 2007





NAVARRO COUNTY, TEXAS  
AD VALOREM TAXES COLLECTED DURING THE MONTH OF AUGUST 2007

	TAXES	PENALTY & INTEREST	SUBTOTAL	COLLECTION FEE	NET TAXES DUE	MEMO ONLY ATTORNEY FEES
CURRENT TAXES				(trsf-1732.71)		
COUNTY	69,894.22	13,484.61	83,378.83	(65.20)	83,444.03	16,565.06
ROAD & BRIDGE	11,500.49	2,186.55	13,687.04	273.85	13,413.19	2,733.85
FLOOD CONTROL	1,220.46	232.02	1,452.48	29.04	1,423.44	289.82
<b>TOTAL</b>	<b>82,615.17</b>	<b>15,903.18</b>	<b>98,518.35</b>	<b>237.69</b>	<b>98,280.66</b>	<b>19,588.73</b>
DELINQUENT TAXES						
COUNTY	13,795.56	5,979.03	19,774.59	395.57	19,379.02	3,639.41
STATE	-	-	-	-	-	-
ROAD & BRIDGE	2,409.80	981.98	3,391.78	67.81	3,323.97	649.44
FLOOD CONTROL	227.09	91.80	318.89	6.32	312.57	61.26
<b>TOTAL</b>	<b>16,432.45</b>	<b>7,052.81</b>	<b>23,485.26</b>	<b>469.70</b>	<b>23,015.56</b>	<b>4,350.11</b>
TOTAL ALLOCATION						
COUNTY	83,689.78	19,463.64	103,153.42	330.37	102,823.05	20,204.47
STATE		-		-		-
ROAD & BRIDGE	13,910.29	3,168.53	17,078.82	341.66	16,737.16	3,383.29
FLOOD CONTROL	1,447.55	323.82	1,771.37	35.36	1,736.01	351.08
<b>TOTAL</b>	<b>99,047.62</b>	<b>22,955.99</b>	<b>122,003.61</b>	<b>707.39</b>	<b>121,296.22</b>	<b>23,938.84</b>

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COUNTY TAX REPORT  
Prepared by Gail Smith *GS*  
Navarro County Tax Office



**NAVARRO COUNTY OFFICE OF PLANNING & DEVELOPMENT**

**Vicki Stoecklein** – Administrator  
**Becky Garrett** – Addressing  
**Stanley Young** – Environmental Services  
**Robert Gray** – Code Enforcement

www.co.navarro.tx.us  
300 West Third Avenue.  
Suite 16  
Corsicana, TX 75110

Phone: (903) 875-3312

Fax: (903) 875-3314

**PLANNING AND ZONING COMMISSION MINUTES**

August 2, 2007

5:30 P.M.

County Courtroom

The meeting was called to order with eight members present. The roll was called and the attendance was as follows:

Chairman Jacobson – present  
Scott Watkins – absent  
Carroll Sigman – absent  
Benny Horn – absent  
Dennis Bancroft – present  
Charles Irvine – present  
Eben Dale Stover – absent

Vice Chairman Moe – absent  
Conrad Newton – present  
Wayne McGuire - present  
Tom White – present  
Dolores Baldwin – absent  
George Walker – present  
Jeff Smith - present

The first item on the agenda was the approval of the minutes of the June 14, 2007, Planning and Zoning meeting. Motion to approve by Commissioner Irvine, second by Commissioner Bancroft, all voted aye.

Item # 3 on the agenda was consideration of special use permit #07-07-356 for Kathleen Bradshaw. This request is for a storage building to be located on lot 29 Blk. A of Rustling Oaks Phase IV. The building is 10'x12'. Motion to approve by Commissioner Irvine, second by Commissioner Newton, all voted aye.

Item # 4 on the agenda was consideration of special use permit #07-07-351 for Linda Plank. This request is for a storage building to be located on lot 40 of Mattie Caston Shores Phase III. The building is 10'x10'. Motion to approve by Commissioner Bancroft, second by Commissioner Smith, all voted aye.

Planning and Zoning Minutes  
August 2, 2007  
Page 2

Item # 5 on the agenda was consideration of special use permit #07-07-355 for Roger Painter. This request is for the use of a travel trailer while his home is under construction on lot 12 of Pearl Valley Estates. Motion made by Commissioner Irvine to approve contingent upon the trailer being placed behind where the home is being constructed, second by Commissioner Newton, all voted aye.

Item # 6, 7, and 8 on the agenda was consideration of special use permits #'s07-07-352, 07-07-353 and 07-07-354 for Atoka Operating, Inc. These requests were for oil wells to be drilled on SE 3170. They will be reworking wells known as, South Kerens Unit # 5, South Kerens Unit # 6 and South Kerens Unit # 7. Motion to approve all three wells made by Commissioner Newton contingent upon meeting Commissioners Holt's requirements for road bonds, coming to an agreement on the condition of the access road SE 3170, fencing requirements, and receiving final approval from the Railroad Commission, second by Commissioner Irvine, all voted aye.

Item # 9 on the agenda was consideration of special use permit #05-07-350 for Samson Lone Star, Limited Partnership. This request is for a gas and or oil well, Montgomery #1, located off S. Hwy 287. Motion made by Commissioner Irvine contingent upon meeting Commissioner Holt's requirements for road bonds and fencing requirements, second by Commissioner White, all voted aye.

Item # 10 on the agenda was consideration of an amendment to the Navarro County Oil and Gas Ordinance regarding application fees. A request had been made to consider waiving application fees for multiple wells in the same location. Motion made by Commissioner Irvine to keep the fees as they are and to consider any requests for waivers on a case by case basis, second by Commissioner White, all voted aye.

Adjourn.

RECEIVED  
JUL 03 2007  
BY: \_\_\_\_\_

STATE OF TEXAS §  
COUNTY OF NAVARRO §

INTERLOCAL CONTRACT FOR TAX COLLECTION

This contract is entered into between NAVARRO COUNTY, hereinafter called "County", and RICE ISD, hereinafter called the "School", pursuant to the provisions of Article 4413 (32c) of the Texas Revised Civil Statutes and Selections 6.23 (a) of the Property Tax Code of Texas.

I. Purpose

The purpose of this contract is to provide for the assessment and collection of ad valorem taxes on behalf of the School by the County. County agrees to assess and collect ad valorem taxes on behalf of School during the contract term, and School agrees to cooperate with County in the performance of such assessment and collections.

II. Term

This contract is to take effect and shall be for the period of July 1, 2007, through June 30, 2008. On July 1<sup>st</sup> of each succeeding year, this contract will automatically renew. If either party wishes to cancel the automatic renewal provision of this contract, such party must give the other written notice by certified mail at least 60 days prior to the automatic renewal date of July 1<sup>st</sup>. It will be deemed that the parties' silence is affirmative acceptance of the one-year renewal and extension.

III. Limitations Designated by School

The School is governed by the statutes, constitution, and laws of the State of Texas.

IV. Qualified Staff

County agrees to employ qualified tax collectors and assessors as may be required from time to time by the laws of this state to assist in the performance of the obligations of County under this agreement.

V. Delinquent Tax Attorney

School will allow for the collection of delinquent taxes. County shall be responsible for supervising the efforts of any delinquent tax attorney selected by County. However, if School has a current contract with a delinquent tax attorney, that contract will be honored by County.

VI. Bonds and Deposits

The County agrees to maintain Public Employee Dishonesty Bond Insurance in the amount of \$50,000 per employee. The County will deposit funds as collected on a daily basis in insured accounts with local banking institutions, and will electronically transfer collected funds to the School within 24 hours provided however, there are no extenuating circumstances of which the County has no control. Any interest earned on collected funds while in the County depository will be the property of the County.

**VII. General Requirements**

County agrees to:

- A. Deliver all notices required under the Property Tax Code of the State of Texas on a timely basis on behalf of the School.
- B. Complete all reports required by the School under the Property Tax Code of the State of Texas and submit those reports to the appropriate officials on a timely basis.
- C. Insure compliance with present and future property tax calendars.
- D. Keep accurate records of all School tax collections and to make such records available for inspection during normal working hours by any authorized representative of the School, and
- E. Keep a current delinquent tax roll and to reconcile the delinquent tax roll annually.

**VIII. School Records and Tax Rate**

School agrees to make available and deliver in a form prescribed by the County all of its assessment and collections records no later than July 10<sup>th</sup>, 2007, and to cooperate generally with County in the performance of this agreement. If School tax rate has not been set in time to allow County to send out tax statements, the school statements will be sent out separately and school will be charged for statements and mailing.

School will assume responsibility of annually determining and calculating its effective tax rate (ETR) and proposed tax rate (PTR) and will publish notices regarding such in appropriate newspaper or publication as required by law. School will furnish a copy of the ETR and PTR with backup to the County for auditing purposes. County Tax Assessor-Collector shall certify Schools ETR and PTR in accordance with the law, only after School has provided County with all worksheets and supporting data used by School in calculating ETR and PTR and County Tax Assessor-Collector shall immediately notify School of such and both parties shall use all reasonable efforts to resolve the calculations in a favorable manner in accordance with the law. School shall hold harmless and indemnify County from any liability related to School's failure to properly calculate, determine and/or publish the ETR or PTR.

**IX. Tax Certificates**

County shall prepare and issue tax certificates to taxpayers on behalf of the School and shall be entitled to collect any statutory fees therefore. Any fees collected will be the property of the County.

**X. Tax Assessor/Collector**

The County shall be the agent for the purpose of assessing and collecting taxes of the School. In regards to the assessment and collection of taxes, County agrees to accept any reasonable direction, supervision, and requirements of the School not inconsistent with the laws of this state of County's normal operating procedures. In the performance of this agreement, County shall be deemed to be recommending actions to the School, and may take such actions as it believes appropriate and recommends from time to time unless objection is made by the School.

**XI. Compensation**

In exchange for its services to be rendered under this agreement, School agrees to pay County as follows:

- A. One-half (1-2) percent of current and delinquent collections;

B. Twenty-five percent (25%) of all penalty and interest added after February 1 delinquency date but not to include the applicable Attorney fees added after July 1, by a delinquent tax attorney.

C. A reasonable fee for any additional taxes, penalties, interest, revenues or funds collected by the County on behalf of the School not heretofore referenced, and allowable by law. Said fee shall be determined by applicable law, if appropriate, otherwise by the Tax-assessor-Collector for the County.

**XII. Computerized Records**

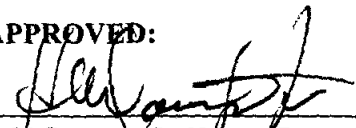
County agrees to maintain all records regarding the assessment and collection of taxes on behalf of the School with periodic back up of data via hard copy or disc safely stored in accordance with the County and School regulations and State law. County further agrees to provide at any reasonable time upon written request from the School, a printout reflecting the current status of the assessment and collection of taxes, within one (1) business day after such request.

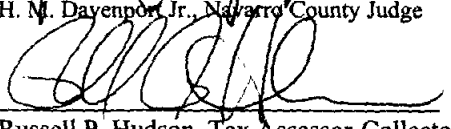
**XIII. Applicable Laws**


This contract shall be governed by Article 4413 (32) of the Texas Revised Civil Statutes, and Sections 6.23 (a), 6.27 (b), and 6.30, as well as the other provisions of the Property Tax Code of Texas, and any other laws, rules, or statutes now existing or which may hereafter be enacted covering any part of the subject matter of this agreement. In the event of any conflict between the terms and provisions of this agreement and any such statutory requirements, or the common law of Texas, or any provision of the Constitution of the State of Texas, the parties request any court considering same to construe this agreement in such a way as to be in compliance therewith, and in this respect hereby agree that any such inconsistent term or provision of this agreement, or any term or provision not included hereby but required by any such statute, constitutional provision, or other rule of law, shall be supplied by such court as nearly as possible so as to comply therewith and to effectuate the intent of the parties as expressed herein. In the event of any contention that the charges made hereunder exceed those allowed by Section 6.27 (b) of the Property Tax Code, a fair and reasonable portion of general overhead and operating expense of County shall be allocated in determining such matters.

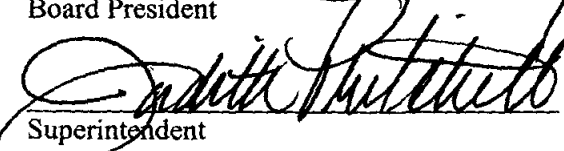
Each party executing this agreement represents to the other that his or her execution hereof is properly authorized by the required vote of the governing body of the respective party. This agreement is executed effective the 18 day of July, 2007.

**APPROVED:**

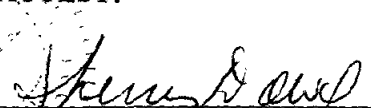
  
\_\_\_\_\_  
H. M. Dayenport Jr., Navarro County Judge

  
\_\_\_\_\_  
Russell P. Hudson, Tax Assessor-Collector


  
\_\_\_\_\_  
Board President

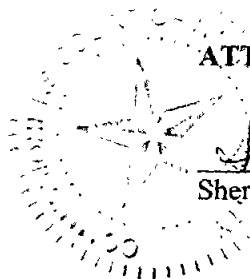
  
\_\_\_\_\_  
Superintendent

**ATTEST:**

  
\_\_\_\_\_  
Sherry Dowd, County Clerk

**ATTEST:**

  
\_\_\_\_\_  
Board Secretary -



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Kathleen Hartnett White, *Chairman*  
R. B. "Ralph" Marquez, *Commissioner*  
Larry R. Soward, *Commissioner*  
Glenn Shankle, *Executive Director*

## TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

*Protecting Texas by Reducing and Preventing Pollution*

August 27, 2007

Mr. Stanley Young  
Navarro County Designated Representative  
Navarro County Courthouse  
300 W. 3<sup>rd</sup> Avenue, Suite 16  
Corsicana, Texas 75110

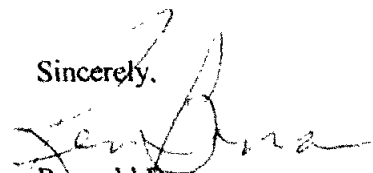
Re: Amending Navarro County's On-site Sewage Facility Order

Dear Mr. Young:

Commission staff has reviewed the proposed amendments to Navarro County's On-site Sewage Facility Order, dated September 28, 2005. Based on the review of your August 23, 2007, draft proposal, this order meets minimum State requirements. Please proceed with the adoption process as outlined in 30 Texas Administrative Code Section 285.10.

If further information or assistance is needed, please contact me at (512) 239-4775.

Sincerely,

  
Reynold Berra  
On-site Sewage Facility Team, MC-178



**Navarro County Sheriff's Department**  
*Environmental Crimes Unit*  
300 West 3<sup>rd</sup> Ave. Suite 16  
Corsicana, Texas 75110  
Phone No. (903) 875-3311  
Fax (903) 875-3314

## FAX TRANSMITTAL FORM

**To: Reynold P. Berra**                      **TCEQ Program Specialist, OSSF Program**

**From: Stanley Young**                      **Navarro County D.R. OS0006517**

**Fax No. (512) 239-6390**                      **Date: August 23, 2007**

**Subject: Amendments to Co. Order**                      **Pages: 3 (including cover sheet)**

**Message:**

**Mr. Berra,**  
**Due to some complications with our local News Paper, we can't make the 72 hour deadline for Notice of Public Hearing this Monday, so we will try again on 9/10/2007.**

**After going over a number of existing and proposed Orders and a lot of debate, with your approval, this is the Amendments we would like to adopt.**

**Please call if you have any questions.**

**Stanley Young,**  
**Environmental Criminal Investigator**  
**NCSO Deputy 195**



**SECTION 10. AMENDMENTS.**

The County of Navarro, Texas wishing to adopt more stringent Rules for its On-Site Sewage Facility Order understands that the more stringent conflicting local Rule shall take precedence over the corresponding Texas Commission on Environmental Quality requirement. Listed below is the more stringent Rules Adopted by Navarro County, Texas:

1. Navarro County, to provide greater public health and safety protection, shall require an application, permit and inspection for construction, alteration, extension or repair to a residential or commercial on-site sewage facility, regardless of the size of the tract of land.

2. In order to provide greater public health and safety protection, Navarro County shall require the maintenance for all OSSF's identified in 285.91(12) to be performed by a TCEQ registered maintenance company unless:

- a. The homeowner/property owner is a TCEQ registered maintenance provider for their aerobic treatment unit; or
- b. The homeowner/property owner was trained by an installer or manufacturer according to the requirements of HB 2510 [79(R)] prior to adoption of HB 2482 [80(R)]; or
- c. The homeowner/property owner holds a valid Class D or higher wastewater treatment license, and is certificated by the manufacturer for the brand of OSSF that they own.

3. Maintenance Inspections and Reports:

- a. Inspections at a minimum must meet all inspection requirements as set by the Rules, Navarro County, as well as, the inspection requirements outlined by the manufacturer for the brand being inspected.
- b. Inspection reports shall address all inspection and testing requirements as set by the Rules, Navarro County, as well as, the testing requirements outlined by the manufacturer for the brand being inspected.
- c. Navarro County shall require the reporting of the sludge levels in the pump tank, and the condition of the spray area to be included on each required testing report specified by the Rules.

4. All construction, alteration, extension or repair to any type of on-site sewage facility shall be conducted by individual(s) licensed, registered and approved by the Texas Commission on Environmental Quality.

There shall be no property owner/homeowner installations unless the property owner/homeowner is also licensed, registered and approved by the Texas Commission on Environmental Quality.

5. Planning materials for all OSSFs in Navarro County shall be submitted by a professional sanitarian or a professional engineer to the Navarro County Authorized Agent for its review and approval.
6. All platted or created subdivisions of single family dwellings using individual on-site sewage facilities for sewage disposal shall have lots of at least one (1) acre.
7. **All habitable structures, upon their completion, must be connected to either a central wastewater treatment sanitary sewer system or an approved sewage disposal system.**
8. All applicable permits shall be obtained from Navarro County Department of Planning and Development for all structures using on-site sewage facilities for sewage disposal prior to its construction.
9. Any building/structure using an on-site sewage facility and is not used as a single-family dwelling or duplex and receiving secondary treatment of the effluent shall be checked and maintained monthly by a contracted TCEQ registered maintenance company. A chlorine residual or fecal coliform test shall be made at each site visit where disinfection is required. One BOD<sub>5</sub> and TSS Grab Sample test shall be conducted per year. The minimum acceptable test results shall be sent to the Navarro County Authorized Agent within 14 days after the test is performed.

## NAVARRO COUNTY ON-SITE SEWAGE FACILITY ORDER

### SECTION 10. AMENDMENTS.

The County of Navarro, Texas wishing to adopt more stringent Rules for it's On-Site Sewage Facility Order understands that the more stringent conflicting local Rule shall take precedence over the corresponding Texas Natural Resource Conservation Commission requirement. Listed below are the more stringent Rules Adopted by Navarro County, Texas:

#### 1. RESIDENTIAL

All habitable structures must be connected to an approved sewage disposal system. A permit for an on-site sewage facility must be obtained from Navarro County Designated Representative.

#### 2. TEN ACRE EXEMPTION

Persons in Navarro County, regardless of the amount of land owned, on which a private on-site sewage facility is to be utilized, must obtain a permit from the licensing authority prior to the installation, construction, substantial alteration and/or repair of an on-site sewage facility. All private on-site sewage facilities shall be constructed or installed according to 30 TAC 285 Rules.

#### 3. SEPTIC SYSTEM INSTALLATIONS

No self installations shall be allowed.

If the Commissioners Court disapproved a plat application, the applicant shall be given a complete list of the reasons for the disapproval.

The 60-day period may be extended for a reasonable period, if agreed to in writing by the applicant and approved by the Planning and Development office.

If the Commissioners Court fails to take final action on the plat, in accordance with this section, then: (a) the court shall refund 50% of the plat fee; (b) the plat application is granted by operation of law; and (c) the applicant may apply to a district court in Navarro County for a writ of mandamus to compel the Commissioners Court to issue documents recognizing the plat's approval.

A person may not file for record or have recorded in the county clerk's office a plat, replat, or amended plat or replat of a subdivision of real property unless such plat has attached to it an original tax certificate from each taxing unit with jurisdiction of the real property indicating that no delinquent ad valorem taxes are owed on the real property. If the plat, replat, or amended plat or replat is filed after September 1 of a year, the plat, replat, or amended plat or replat must also have attached to it a tax receipt issued by the collector for each taxing unit with jurisdiction of the property indicating that the taxes imposed by the taxing unit for the current year have been paid or, if the taxes for the current year have not been calculated, a statement from the collector for the taxing unit indicating that the taxes to be imposed by that taxing unit for the current year have not been calculated. If the tax certificate for a taxing unit does not cover the preceding year, the plat, replat, or amended plat or replat must also have attached to it a tax receipt issued by the collector the the taxing unit indicating that the taxes imposed by the taxing unit for the preceding year have been paid.

#### **CONDOMINIUMS:**

All condominium plats or plans must comply with Chapter 81 of the Texas Property Code, Condominium Act.

**SECTION F. ENFORCEMENT AREA**

The provisions of the Court Order shall apply to all of the unincorporated areas of Navarro County, Texas with the exception of the extra territorial jurisdiction of the City of Corsicana.

**SECTION G. PLATTING PROCEDURE**

**1. PRELIMINARY PLATS:**

- a. The submission of a preliminary plat is necessary to:
  - (1) Eliminate the duplication of subdivision names and street names.
  - (2) Assure proper alignments of streets and drainage facilities.
  - (3) Assure that the provisions of the FLOODPLAIN REGULATIONS will be complied with, and that no lot will have a drainage problem.
  - (4) Assure that the provisions of the SEWAGE REGULATIONS will be complied with.
  - (5) Assure that all necessary permits or plan approvals have or will be applied for.
  
- b. Two (2) {"blueline copies" or "reproductions"} of the preliminary plats shall be submitted prior to or concurrent with the submission of any preliminary plats to a city exercising its extraterritorial authority. In the event the subdivision falls within the jurisdiction of both Navarro County and the City, the more stringent of the regulations shall prevail.
  
- c. Preliminary plats shall be approved by the Navarro County Planning and Development Administrator before a final plat can be submitted.
  
- d. Preliminary plats shall be drawn on a sheet not less than 18"x24" except in those instances where a city exercising its extraterritorial authority requires a different sheet size and/or scale, or upon prior approval of the Navarro County Planning and

Development Administrator. All plats shall also be submitted in digital format using NAD 1983 State Plane Texas North Central 4202.

- e. Preliminary plats shall show, or be accompanied by the following information:
- (1) The name, address and telephone number of the developer, surveyor and/or engineer.
  - (2) The proposed name of the subdivision, and the names, locations, width and dimensions of all proposed and existing streets within the property.
  - (3) The location of the existing boundary lines in sufficient detail to accurately locate the property.
  - (4) The description, location, width and dimensions of proposed and existing utility and pipeline easements within and adjacent to the property.
  - (5) The name, location and dimensions of all adjacent subdivisions and streets. Where there are no adjacent subdivisions, the preliminary plat shall show:
    - (a) The name of all adjacent property owners with the volume and page of recordation.
    - (b) The location and distance to the nearest subdivisions, and how the streets in the proposed subdivision may connect with those in the nearest subdivisions or other roads in the area.
  - (6) Existing and proposed contour lines at the following intervals:
    - (a) When the land has less than a five percent (5%) slope, the contour interval shall not be greater than two feet (2').

Subdivision Administrator six (6) blue-line copies of the final plat, prior to or concurrent with the submission of the final plat to the city exercising its extraterritorial authority. No final plat will be presented to the Commissioners Court before the plat has been approved by a city exercising its extraterritorial authority.

- d. Final plats shall be drawn on a 18"x24" Mylar sheet except in those instances where a city exercising its extraterritorial authority requires a different sheet size and/or scale, or upon prior approval of the Navarro County Subdivision Administrator.
- e. The following statement shall be noted on the face of the final plat:
  1. Blocking the flow of water or construction improvements in drainage easements, and filling or obstruction of the floodway is prohibited.
  2. The existing creeks or drainage channels traversing along or across the addition will remain as open channels and will be maintained by the individual owners of the lot or lots that are traversed by or adjacent to the drainage courses along or across said lots.
  3. Navarro County will not be responsible for the maintenance and operation of said drainage ways for or the control of erosion.
  4. Navarro County will not be responsible for any damage, personal injury or loss of life or property occasioned by flooding or flooding conditions.
- f. In addition to the requirements for preliminary plats, final plats shall show or be accompanied by the following information:
  - (1) The name of the subdivision, the names of the streets, the date that the plat was prepared, a north arrow and a graphic scale.
  - (2) Sufficient data to reproduce, on the ground, the bearing and length of all streets, blocks, lots and easements. Curves on streets, blocks and easements shall include the radius, length and

The County does not provide maintenance for drainage.

The area identified as drainage easement will be subtracted from the raw lot size in determination of acceptable lot size for construction.

Drainage easements shall generally be located along the existing drainage way, and shall meet the following standards:

- a) Open channels with top widths from 0' to 50' require top width plus 25'.
- b) Open channels with top widths greater than 50' require top width plus 25' each side.
- c) Enclosed pipes require 20' minimum width.

All easements shall be so designed to allow maintenance equipment to enter the easement, and be able to perform the necessary work.

**4. Lot Sizes and Building setbacks:**

Based on the presence of an on-site sewage facility, the net minimum lot size on which development activity will be allowed shall be 1.00 acre. This net minimum lot size shall not include any right-of-way, drainage easement, and utility easement or floodplain area. Except within 5,000 feet of the Richland Chambers Lake, all lots must have a minimum street frontage of 100 feet unless otherwise specified.

Lots having an individual water supply well and an individual on-site sewage system shall have a minimum lot size of 1.5 usable acres.

Lots served by a public water supply and by a public sewage disposal system shall have an average density of not more than four lots per usable acre.

Multi-family lots served by a public water supply and a public sewage disposal system shall have a minimum lot size of not less than 5,000 square feet of usable acreage. Such lots must have a minimum 30 feet of street frontage.

The minimum street frontage for lots on the turn around of a cul-de-sac shall be 50 feet.



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REPUBLIC TITLE OF TEXAS, INC.

DATE: 06/01/2007
GF NO: 07R09963 NDS

SELLER'S STATEMENT

SALE FROM: NAVARRO COUNTY
SALE TO: CORSICANA-WALLY, Ltd., a Texas limited partnership
PROPERTY: 1/816
ADDRESS: STATE HIGHWAY 31, CORSICANA, TEXAS 75110

SALES PRICE: \$ 350,000.00

REIMBURSEMENTS/CREDITS

Table with columns for item description and dollar amount. Includes 'TOTAL REIMBURSEMENTS/CREDITS' and 'GROSS AMOUNT DUE TO SELLER'.

LESS CHARGES AND DEDUCTIONS

Table with columns for item description and dollar amount. Includes 'Division of commissions as follows', 'Filing fees', 'DISCLOSURE REQUIRED BY ARTICLE 9.53, INSURANCE CODE', and 'JUNE RENT'.

Seller understands the Closing or Escrow Agent has assembled this information representing the transaction from the best information available from other sources and cannot guarantee the accuracy thereof.

Seller understands that tax and insurance proration and reserves were based on figures for the preceding year or supplied by others, or estimates for current year, and in the event of any change for current year, all necessary adjustments must be made between Purchaser and Seller direct.

The undersigned hereby authorizes Closing or Escrow Agent to make expenditures and disbursements as shown above and approves same for payment. The undersigned also acknowledges receipt of Loan Funds, if applicable, in the amount shown above and receipt of a copy of this Statement.

REPUBLIC TITLE OF TEXAS, INC.

SEE SIGNATURE ADDENDUM ATTACHED.

Handwritten signature of the closing agent.

CLOSING OR ESCROW AGENT

ADDRESS

\*Note: Interest on existing liens is figured to the date indicated. If not paid by then, additional interest will have to be collected and your statement will be adjusted to have sufficient funds to secure release from the lienholder.

**ADDENDUM TO SELLERS SETTLEMENT STATEMENT**

FILE NO: 07R09963 ND8

DATE: 06/01/2007

SELLER: NAVARRO COUNTY

PURCHASER: CORSICANA-WALLY, Ltd., a Texas limited partnership

SETTLEMENT OR ESCROW AGENT: REPUBLIC TITLE OF TEXAS, INC.

ADDRESS OF SETTLEMENT AGENT: 2626 Howell Street, 10th Floor Dallas, Texas 75204

CONTACT PERSON - SETTLEMENT AGENT (QUESTIONS): Dennis Eastland (972) 578-8611

**SUBSTITUTE FORM 1099 SELLER STATEMENT**

The information contained on this sellers statement or its addendum is important tax information and is being furnished to the Internal Revenue Service. If you are required to file a return, a negligence penalty or other sanction will be imposed on you if this item is required to be reported and the IRS determines that is has not been reported.

**TAXPAYER IDENTIFICATION NUMBER SOLICITATION**

You are required by law to provide the above stated Settlement or Escrow Agent with your correct taxpayer identification number. If you do not provide the above stated Settlement or Escrow Agent with your correct taxpayer identification number you may be subject to civil or criminal penalties imposed by law, including the withholding of twenty percent (20%) of the current sales price.

Seller's

Name Navarro County, Texas

Address 300 W. 3rd Street  
Corsicana, TX 75110

TIN/SSN 75-6001092

Street Address or Short Legal Description: STATE HIGHWAY 31  
CORSICANA, TEXAS 75110

Gross Proceeds (Contract Sales Price) \$ 350,000.00 If multiple sellers, this sellers allocated interest is \$ \_\_\_\_\_ or \_\_\_\_\_ %.

Will you receive property or services as part of the consideration for the sale of the property? YES( ) NO(x)

**CERTIFICATION**

Under penalties of perjury, I certify that the number shown on this statement is my correct taxpayer identification number, and that I have read the information provided on this form and that it is correct; And I further understand that this information and the attached settlement statement will be used to file a 1099-S report to the IRS, and I hereby release all of the above information to the IRS and the settlement agent.

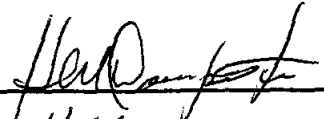
SEE SIGNATURE ADDENDUM ATTACHED.  
(Seller's Signature)

**SELLER INSTRUCTIONS**

If this real estate was your principal residence, file Form 2119, Sale or Exchange of Principal Residence, for any gain, with your income tax return; for other transactions, complete the applicable parts of Form 4797, Form 6252 and / or Schedule D (form 1040).

SIGNATURE ADDENDUM  
TO SELLER'S CLOSING STATEMENT  
GF NO. 07R09963 ND8

Navarro County

By:   
Name: H. M. DAVENTPORT, Jr.  
Its: NAVARRO COUNTY JUDGE

\*\* TAX ALLOCATION SUMMARY \*\*

GF FILE NUMBER ....07R09963 MTP  
 SELLER .....NAVARRO COUNTY  
 PURCHASER .....CORSIANA-WALLY, Ltd., a Texas limited partnership  
 PROPERTY .....1/816

VALUE USED FOR CALCULATION .....	\$	128,550.00
CITY TAX RATE USED FOR CALCULATION .....		.627200
SCHOOL TAX RATE USED FOR CALCULATION .....		.135000
COUNTY TAX RATE USED FOR CALCULATION .....		.505200
Road & Bridge TAX RATE USED FOR CALCULATION .....		.009000
Nav Flood Control TAX RATE USED FOR CALCULATION .....		.083100
CITY TAX AMOUNT FOR OUR FILE .....	\$	806.27
SCHOOL TAX AMOUNT FOR OUR FILE .....	\$	173.54
COUNTY TAX AMOUNT FOR OUR FILE .....	\$	649.43
Road & Bridge TAX AMOUNT FOR OUR FILE .....	\$	11.57
Nav Flood Control TAX AMOUNT FOR OUR FILE .....	\$	106.83
TOTAL TAXES FOR OUR FILE ARE .....	\$	1,747.64



EXECUTED as of the 1<sup>st</sup> day of June, 2007.

**GRANTOR:**

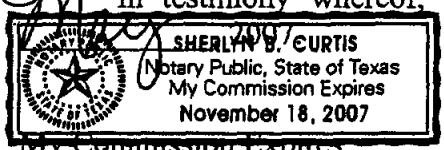
**COUNTY OF NAVARRO, TEXAS**

By: [Signature]  
Name: H.M. DAVERPORT, Jr.  
Title: NAVARRO County Judge

STATE OF TEXAS                    )  
  )  
COUNTY OF NAVARRO            )

Before me, a Notary Public in and for said state, personally appeared H.M. Daverport Jr, the County Judge of the County of Navarro, Texas, a political subdivision, to me known to be the person who executed as such officer the foregoing instrument on behalf of such County and such person duly acknowledged the execution of the same to be the act and deed of said Navarro County.

In testimony whereof, I have hereunto set my hand and seal this 31<sup>st</sup> day of May



My Commission Expires 11/18/07  
(Seal)

[Signature]  
Notary Public Signature

Exhibit "A"ACCESS EASEMENT DESCRIPTION

BEING a 0.2490 acre tract of land situated in the John W. William Survey, Abstract No. 850, City of Corsicana, Navarro County, Texas, and also being a portion of a tract described in deed to Navarro County, as recorded in Volume 404, Page 377, Deed Records, Navarro County, Texas, and being more particularly described by metes and bounds as follows;

COMMENCING at a 5/8 inch diameter iron pin found at the southwesterly corner of said Navarro County Tract, said point also being the southeasterly corner of Tract 3, Texas Youth Council Properties, according to the Plat recorded in Volume 6, Page 1, Plat Records, Navarro County, Texas, said point also being on the north right-of-way line of West 7<sup>th</sup> Street, Texas State Highway 31, a public right-of-way of 120 feet in width according to right-of-way maps furnished by the Texas Department of Highways and Public Transportation, Resident Engineers Office, Corsicana, Texas;

THENCE North 52 degrees 58 minutes 51 seconds East, with said North right-of-way line and south boundary line of said Navarro County Tract, 361.91 feet to the POINT OF BEGINNING of the tract herein described;

THENCE North 30 degrees 35 minutes 21 seconds West, 138.58 feet to a point on the south boundary line of Tract 6, said Texas Youth Council properties plat;

THENCE North 57 degrees 15 minutes 17 seconds East with said south boundary line, 80.06 feet to a point for corner from which a 1/2 inch capped iron pin found at the northeast corner of said Navarro County Tract bears North 57 degrees 15 minutes 17 seconds East, 534.35 feet;

THENCE South 30 degrees 35 minutes 21 seconds East, 132.58 feet to a point on said north right-of-way line;

THENCE South 52 degrees 58 minutes 51 seconds West with said north right-of-way line, 80.51 feet to the PLACE OF BEGINNING and containing 0.2490 acres of land, more or less.

RECORDING REQUESTED BY  
AND WHEN RECORDED MAIL TO:

Glast, Phillips & Murray, P.C.  
2200 One Galleria Tower  
13355 Noel Road, LB 48  
Dallas, TX 75240-6657  
Attn: Erika L. Bruce

WE CERTIFY THE FOREGOING INSTRUMENT IS  
A TRUE AND CORRECT COPY OF THE ORIGINAL  
WHICH HAS BEEN PROPERLY EXECUTED.

REPUBLIC TITLE OF TEXAS, INC.  
BY: [Signature]

**SPECIAL WARRANTY DEED WITH VENDOR'S LIEN**

STATE OF TEXAS           §  
  §  
COUNTY OF NAVARRO   §

KNOW ALL MEN BY THESE PRESENTS:

THAT NAVARRO COUNTY, TEXAS ("**Grantor**"), for and in consideration of the sum of Ten and No/100 Dollars (\$10.00) and other good and valuable consideration in hand paid by **CORSICANA-WALLY LTD.**, a Texas limited partnership ("**Grantee**"), and for further consideration of the execution and delivery by Grantee of that one certain promissory note in the amount of Three Hundred Fifty Thousand And No/100 Dollars (\$350,000.00) (the "**Note**") dated of even date herewith, payable to the order of Century Bank, N.A. ("**Lender**"), which Note is payable as therein provided, and in addition to the vendor's lien retained herein in favor of Lender securing its payment, Grantee has executed a Deed of Trust of even date with said Note to Mike Kennedy, Trustee, for the benefit of Lender, has GRANTED, SOLD, and CONVEYED, and by these presents does GRANT, SELL, and CONVEY, unto the said Grantee all that certain real property, together with all buildings and improvements now or hereafter situated thereon and the lessor's or landlord's interest in all space leases or occupancy agreements covering all or any portion of such real property, together with and any right, title, and interest of Grantor in and to adjacent streets, easements, alleys, rights-of-way, and any strips or gores between the property and any abutting property, situated in the City of Corsicana, Navarro County, Texas, more particularly described on Exhibit A attached hereto and made a part hereof for all purposes (the "**Property**").

This Special Warranty Deed is made and accepted expressly subject only to those Permitted Exceptions to title set forth on Exhibit B attached hereto and made a part hereof for all purposes.

It is understood that the Property is being conveyed and sold hereunder "AS IS", "WHERE IS" and "WITH ALL FAULTS", without representation, warranties or covenants, express or implied, of any kind or nature.

TO HAVE AND TO HOLD the Property, together with all and singular the rights and appurtenances thereto in anywise belonging, subject to the Permitted Exceptions, and any right, title, and interest of Grantor in and to adjacent streets, alleys, and rights-of-way, pertaining to the Property, unto Grantee, and Grantee's, successors and assigns,



forever, and Grantor does hereby bind Grantor and Grantor's successors and assigns to warrant and forever defend, subject to the Permitted Exceptions, all and singular the Property unto Grantee and Grantee's successors and assigns against every person whomsoever lawfully claiming or to claim the same or any part thereof, by through or under Grantor.

It is expressly agreed that the vendor's lien, as well as the superior title in and to the Property, is retained against the Property until the Note and the underlying indebtedness is fully paid or released according to the terms thereof, when the Note shall become absolute. The vendor's lien and superior title to the Property are retained for the benefit of Lender and are transferred to Lender without recourse on Grantor.

**REMAINDER OF PAGE IS INTENTIONALLY BLANK**



EXHIBIT "A"

## Property Description

BEING all that certain lot, tract, or parcel of land in the J. William survey, Abstract Number 850, in the City of Corsicana, Navarro County, Texas, and being a part of a called 2.517 acre tract of land described in Volume 404, Page 377, Deed Records, Navarro County, Texas, (DRNCT); and being more particularly described as follows:

BEGINNING at a monument in concrete found (marked State of Texas) for the west corner of this tract and same for the said 2.517 acre tract and being an inset corner of a called 278.590 acre tract of land described in Volume 1804, Page 148, Real Public Records, Navarro County, Texas, (RPRNCT);

THENCE N 57 degrees 32 minutes 04 seconds E, 977.76 feet (Deed – N 60 degrees E, 1010 feet) (Bearings for this description are based on GPS observation, Texas Co-Ordinate System, North Central Zone) along the northwest line of this tract and same for the said 2.517 acre tract and along a southeast line of the called 278.590 acre tract to a 5/8 inch steel rod found in the intersection of said northwest line with the occupied southwest line of N 45th Street (F.M. 2555) (a public road) for the existing north corner of this tract and being the most easterly corner of the said 278.590 acre tract;

THENCE S 30 degrees 11 minutes 00 seconds E, 32.20 feet through the original 2.517 acre tract and the northeast line of this tract and the existing southwest line of N. 45th Street to a 1/2 inch steel rod set in the intersection of the southwest line of N. 45th Street with the northerly southeast line of the said 2.517 acre tract and in a northwest line of State Highway 31 (a public road);

THENCE along the southeast line of this tract and same for the said 2.517 acre tract and along the northwest lines of State Highway 31 as follows: S 33 degrees 45 minutes 00 seconds W, 177.10 feet (Deed – S 36 degrees 13 minutes W, 224.6 feet from approximate center of N. 45th Street) to a 1/2 inch steel rod set for corner; and S 53 degrees 14 minutes 53 seconds W, 820.03 feet (Deed – S 53 degrees 20 minutes W, 815 feet, Highway Department, 822 feet) to a 5/8 inch steel rod found for the south corner of the said 2.517 acre tract and being an easterly corner of the said 278.590 acre tract;

THENCE N 31 degrees 18 minutes 44 seconds W, 164.92 feet (Deed – N 30 degrees W, 164.6 feet) along the southwest line of this tract and same for the said 2.517 acre tract and along a northeast line of the said 278.590 acre tract to the POINT OF BEGINNING and containing approximately 2.767 acres of land.

EXHIBIT B

## Permitted Exceptions

1. Right of way dated November 29, 1918 from Z.T. Hodge and wife, Mary E. Hodge to John Sealy, et al, Trustees of Magnolia Petroleum Company, recorded in Volume 210, Page 483, Deed Records of Navarro County, Texas.

**GROUND LEASE**

THIS AGREEMENT made and entered into this 1st day of June, 2007 ("*Lease*"), by and between CORSICANA-WALLY, LTD., a Texas limited partnership (hereinafter called "*Landlord*"), and NAVARRO COUNTY, TEXAS (hereinafter called "*Tenant*").

**WITNESSETH:**

**LEASED PREMISES**

1. Landlord hereby leases to Tenant and Tenant hereby leases from Landlord on an "as-is", "where is", "with all faults" basis, approximately 2.767 acres of land and the improvements located thereon situated in the City of Corsicana, Navarro County, Texas (the land and improvements are collectively referred to herein as the "*Premises*"). The Premises is more particularly described by the legal description attached hereto as Exhibit A and made a part hereof, together with all of Landlord's rights of way or use, easements, hereditaments and appurtenances now or hereafter belonging or appertaining thereto.

**TERM**

2. This Lease is a month to month lease. Tenant may terminate this Lease by giving written notice of such termination to Landlord no less than thirty (30) days prior to the date of termination. Landlord may terminate this Lease by giving Tenant written notice of such termination no less than one hundred fifty (150 ) days prior to the termination date; provided, however, Tenant shall not be required to vacate the Premises until development (defined as filing for a permit) of the Premises begins.

**RENT**

3. (A) Tenant will pay to Landlord at Landlord's address set forth in Section 9 herein an amount equal to the real property taxes due for each month that this Lease is in effect (the "*Rent*") based on the 2006 tax statements, which amount shall be subject to adjustment when the 2007 tax statements become available, and for each subsequent year that this Lease remains in effect in equal consecutive monthly installments on or before the first (1<sup>st</sup>) day of each calendar month, the first of which installments shall be due on June 1, 2007.

**(B) IT IS AGREED THAT (I) THE RENT PAYABLE HEREUNDER SHALL BE ABSOLUTELY NET TO LANDLORD, AND (II) LANDLORD SHALL HAVE NO OBLIGATIONS UNDER THIS LEASE EXCEPT TO COLLECT RENT AS IT BECOMES DUE AND PAYABLE AND AS OTHERWISE EXPRESSLY SET FORTH HEREIN.**

**USE**

4. Subject to the provisions of this Section 4 and the other terms and conditions of this Lease, and any and all matters of record, the Premises, any improvements located or to be located thereon, and any portion thereof may be used by Tenant solely for (and in the same manner as is currently being operated as of the date hereof) a motor pool shed housing automobiles and small tractors. Tenant shall not erect any improvements or other fixtures on the Premises (except as provided in Section 10 below).

**MAINTENANCE**

5. Tenant shall, at all times during the term of this Lease, and at its own cost and expense, keep and maintain or cause to be kept and maintained in repair and good condition (ordinary wear and tear excepted), all buildings and improvements at any time erected on the Premises, and shall use all reasonable precaution to prevent waste, damage or injury. Landlord shall not be required to furnish any services or facilities or to make any improvements, repairs or alterations in or to the Premises during the term of this Lease.

**UTILITIES, REPAIRS, TAXES AND UPKEEP**

6. (A) During the term of this Lease, Tenant shall at its own cost and expense, pay for all water, sewer, gas, heat, air conditioning, electricity and all other utilities and related services used at or furnished to the Premises. Additionally, Tenant shall construct and maintain a berm around the above ground fuel tanks located on the Premises in order to prevent leakage or spills from the same.

(B) **LANDLORD SHALL HAVE NO OBLIGATIONS FOR ANY MAINTENANCE, REPAIRS, REPLACEMENTS, PERMITS OR OTHER MONETARY OBLIGATIONS ASSOCIATED WITH THE OWNERSHIP OR OPERATION OF THE PREMISES OR ANY IMPROVEMENTS LOCATED THEREON.**

(C) Tenant shall at the end or other expiration of this Lease deliver up the Premises in good order and condition, subject to reasonable wear and tear.

(D) Tenant shall pay all taxes levied against all personal property of Tenant located on the Premises plus all business, license, sales and excise taxes levied against Tenant or Tenant's occupancy of the Premises. As Rent, Tenant shall pay all real property taxes and assessments levied against the Premises and the improvements located thereon during the term of this Lease. For the purposes of calculating prorations for partial years or months at the beginning or end of term, real property taxes and assessments shall be prorated between Landlord and Tenant based upon a thirty (30) day month and a three hundred sixty (360) day year. Landlord shall provide Tenant with real property tax bills at least forty-five (45) days before delinquency or arrange to have such bills sent directly by the taxing authority to Tenant. Tenant shall have the right with Landlord's cooperation, but at Tenant's expense, to contest any tax or assessment, and to pay in installments where allowed by the taxing authority. Real property taxes shall not include business, income or profits taxes, estate, succession, inheritance, transfer, corporation, or franchise taxes assessed against Landlord or any other tax intended by the taxing authority to be a tax on Landlord's income.

(D) If Tenant fails to pay any of the above expenses, Landlord may, but is not obligated to, pay the same and if Landlord elects to do so Tenant shall reimburse Landlord for said expenses, as additional rent, within ten (10) days after demand therefor by Landlord.

**ASSIGNMENT AND SUBLETTING**

7. Tenant may not assign, sublease, donate, sell, or otherwise transfer this Lease or its rights under this Lease or in the Premises (in whole or in part or parts) (each, a "transfer") without the prior written consent of Landlord, such consent to be in Landlord's sole discretion. In the event of any transfer and assignment by Landlord of its interest in this Lease to a person expressly assuming Landlord's obligations under this Lease, Landlord shall thereby be released from any further obligations hereunder, and Tenant agrees to look solely to such successor in interest of Landlord for performance of such obligations. Any security given by Tenant to secure performance of Tenant's obligations hereunder may be assigned and transferred by

Landlord to such successor in interest, and Landlord shall thereby be discharged of any further obligation relating thereto.

**DEFAULT / REMEDIES**

8. (A) The occurrence of one or more of the following events shall constitute a default by Tenant pursuant to the terms of this Lease:

(i) The failure of Tenant to comply with or to observe any terms, provisions, or conditions of this Lease performable by and obligatory upon Tenant, excluding the payment or rent and other payment provisions hereof, within five (5) days after written notice by Landlord plus such additional time, not to exceed an aggregate of fifteen (15) days, as is needed to cure the same so long as Tenant has commenced such cure within such 15-day period and such cure thereafter is continuously and diligently undertaken by Tenant; and

(ii) The failure of Tenant to pay when due any portion of any installment of Rent, any additional rent, or any other monetary charge due from Tenant hereunder and such failure continues for five (5) days after written notice thereof.

(B) In the event of a default by Tenant hereunder, Landlord shall have the right, notwithstanding Section 2 above, to terminate this Lease upon five (5) days advance written notice to Tenant, and take any action available at law and/or in equity.

**NOTICES**

9. Notices required to be given hereunder shall be given in writing either personally, via facsimile (with confirmation of transmission received by the sending party), or sent by registered or certified mail (effective on the earlier of actual receipt or three (3) days after the date of sending) or sent by reputable national overnight delivery service (effective upon receipt). Refusal to accept delivery shall be deemed receipt. Such notices, when given by Tenant or Landlord, shall be addressed to the respective address set forth below. Either party may, by written notice to the other party, change the address to which notices, or rental payments, directed to such party, shall be delivered. The addresses for notices are:

Landlord:

Corsicana-Wally, Ltd.  
6301 Cliff Drive  
Fort Smith, Arkansas 72903  
Attention: Mr. John D. Alford  
Telephone: 479.494.5682  
Facsimile: 479.783.1766

Tenant:

Navarro County, Texas  
300 W. 3rd Avenue  
Corsicana, Texas 75110  
Attention: Judge H. M. Davenport  
Telephone: 903.654.3030  
Facsimile: 903.872.0778

**TRADE FIXTURES**

10. Except for the existing shed, above ground fuel storage tanks, automobiles and trucks owned by Tenant, Tenant may not install or operate, in, and upon, the Premises any trade fixtures, equipment, machinery and/or appliances without the prior written consent of Landlord. On the expiration of this Lease, or sooner termination thereof, Tenant shall remove such above ground fuel storage tanks, automobiles, trucks, fixtures, equipment, machinery and/or appliances installed in or located at the Premises, and repair any damage to the Premises which may be caused by such installation or removal. Upon the expiration of this Lease, if Tenant fails to remove any of such above ground fuel storage tanks, automobiles, trucks, trade fixtures, equipment, machinery or appliances within thirty (30) days of such expiration of lease, then and in that event, Tenant's above ground fuel storage tanks, automobiles, trucks, trade fixtures, equipment, machinery and/or appliances shall be deemed abandoned by Tenant and shall, at Landlord's sole option, be disposed of by Landlord, at Tenant's cost which shall be reimbursed upon demand by Landlord, or shall become the property of Landlord.

**SIGNS**

11. Except as currently in existence as of the date hereof, Tenant may not place, cause or allow to be placed any sign or signs of any kind whatsoever, on any buildings constructed on the Premises or in or about the Premises. All signs so installed by Tenant shall be removed by Tenant at the expiration of this Lease. Tenant agrees to repair any damages caused by the installation, maintenance and/or removal of said signs.

**INDEMNIFICATION**

12. (A) **TENANT AND LANDLORD SHALL EACH INDEMNIFY AND HOLD AND SAVE HARMLESS EACH OTHER FROM AND AGAINST ANY AND ALL LIABILITY, DAMAGES, EXPENSES, FEES, PENALTIES, ACTIONS, CAUSES OF ACTIONS, SUITS, COSTS, CLAIMS, OR JUDGMENTS ARISING FROM INJURY DURING SAID TERM TO PERSON OR PROPERTY OCCASIONED WHOLLY OR IN PART BY ANY NEGLIGENT ACT OR ACTS, OMISSION OR OMISSIONS OF TENANT OR LANDLORD AND THEIR EMPLOYEES, CUSTOMERS OR INVITEES, OCCURRING ON THE PREMISES.**

(B) The provisions of this Section 12 shall survive the expiration of the Term or earlier termination of this Lease.

**ESTOPPEL CERTIFICATE**

13. Landlord and Tenant agree at any time and from time to time, upon not less than ten (10) days prior written request by either of them to the other, to execute, acknowledge and deliver to the requesting party a statement in writing certifying that this Lease is unmodified and in full force and effect (or, if there have been modifications, that the same is in full force and effect as modified, and stating the modifications), and the date to which the rental and other charges have been paid in advance, if any, and whether or not any violations are in existence as of the date of said statement, it being intended that any such statement delivered pursuant to this Section may be relied upon by any prospective purchaser of the fee, or leasehold, or mortgagee or assignee of any mortgage upon the fee or leasehold interest in the Premises.

**MECHANICS LIENS**

14. Tenant will not permit any mechanics or materialmens or other lien to stand against the Premises for any labor or materials furnished in connection with work of any character performed on said



Premises by or at the direction of Tenant and Tenant agrees to immediately remove or bond over any such liens.

**PERSONAL PROPERTY AT RISK**

15. Tenant shall be responsible for all damage by fire and other causes to Tenant's contents, fixtures, inventory, equipment and all other items of personal property and other items of Tenant at the Premises. All such personal property and any other improvements which may at any time be in or on the Premises shall be at Tenant's sole risk and Landlord shall have no liability therefor.

**ENTIRE AGREEMENT**

16. This Lease contains the entire agreement of the parties, and no representations, inducements, promises or agreements, oral or otherwise, not embodied herein, shall be of any force or effect. This Lease may not be changed orally but only by a written modification of this Lease signed by Landlord and Tenant.

**ADDITIONAL RENT**

17. The term "rent" as used in this Lease shall also be deemed to mean the Rent, additional rent, and any other amounts required to be paid by Tenant to Landlord under the terms and provisions of this Lease.

**NO REAL ESTATE BROKER**

18. The parties hereto agree that no real estate broker brought about this Lease and that Landlord shall not be obligated to pay a leasing commission in connection with this Lease.

**QUIET ENJOYMENT**

19. As long as Tenant is not in default under any of the terms of this Lease and performs and observes all the covenants and provisions hereof and subject to the terms of this Lease, Tenant shall quietly and peacefully hold and enjoy the Premises by anyone claiming by, through or under Landlord.

**NO JOINT VENTURE**

20. Nothing contained herein shall be deemed or construed by the parties hereto, or by any third party, as creating the relationship of principal and agent, or of partnership, or of joint venture between the parties hereto, it being understood and agreed that neither the method of computation of rent nor any other provision contained herein, nor any acts of the parties hereto, shall be deemed to create any relationship between the parties hereto other than the relationship of landlord and tenant.

**DAMAGE TO LEASED PREMISES**

21. In the event that, at any time during the term of this Lease, the improvements on the Premises shall be destroyed or damaged in whole or in part by fire or other casualty, then Tenant, at its own cost and expense, may cause the same to be repaired, replaced or rebuilt to the condition of the improvements prior to such casualty within a period of time which, under all prevailing circumstances, shall be reasonable. Landlord shall have no obligation or liability with respect to the improvements now or hereafter located on the Premises.

**SUBORDINATION**

22. At Landlord's option, this Lease shall be subordinate to any mortgage or deed of trust

encumbering the Premises. Tenant shall execute an appropriate subordination agreement in connection with the foregoing as necessary to establish this Lease as subordinate to such mortgage or deed of trust.

**CONTAMINATION**

23. Tenant shall not cause any contamination of the Premises with hazardous substances or materials. If Tenant causes any such contamination, Tenant shall pay for all remediation costs and shall indemnify and hold Landlord harmless from and against all claims, losses, and liabilities incurred by Landlord as a result of such contamination. Landlord shall have no liability to Tenant for the diesel pumps and/or above ground or underground tanks located on or under the Premises.

**SUCCESSORS AND ASSIGNS**

24. Subject to the terms hereof, the terms and conditions of this Lease shall bind and inure to the benefit of the parties hereto and their heirs, executors, administrators, successors and assigns.

**PERSONAL LIABILITY**

25. Notwithstanding anything herein to the contrary, the liability of Landlord to Tenant for any default by Landlord under the terms of this Lease shall be limited to the interest of Landlord in the Premises, and Tenant agrees to look solely to Landlord's interest in the Premises for the recovery of any judgment from Landlord, it being intended that neither Landlord nor any of Landlord's beneficiaries, trustees, employees, agents, owners, or partners shall be personally liable for any judgment or deficiency. This clause shall not be deemed to limit or deny any remedies which Tenant may have in the event of a default by Landlord hereunder that do not involve the personal liability of Landlord.

**TEXAS LAW**

23. This Lease shall be construed in accordance with the laws of the State of Texas.

**HEADINGS FOR CONVENIENCE ONLY**

24. The headings used in this Lease are for convenience only and are not to be used in interpreting the terms of this Agreement.

**ATTORNEY'S FEES**

25. In any case where Landlord or Tenant employs attorneys to protect or enforce its rights hereunder and prevails, then the non-prevailing party agrees to pay the other party reasonable attorney's fees incurred by the prevailing party.

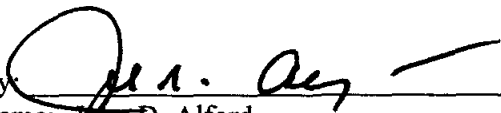
**[Remainder of Page Intentionally Left Blank;  
Signature Page Follows]**

IN WITNESS WHEREOF, the parties have hereunto executed this Lease effective as of the date set forth above.

**LANDLORD:**

**CORSICANA-WALLY, LTD.,**  
a Texas limited partnership

By: Corsicana-Wally GP, L.L.C.,  
a Texas limited liability company,  
its general partner

By:   
Name: John D. Alford  
Title: Managing Member

**TENANT:**

**NAVARRO COUNTY, TEXAS**

By: \_\_\_\_\_  
Name: H.M. Davenport  
Title: County Judge

Attachments:

Exhibit A Legal Description

IN WITNESS WHEREOF, the parties have hereunto executed this Lease effective as of the date set forth above.

**LANDLORD:**


**CORSICANA-WALLY, LTD.,**  
a Texas limited partnership

By: Corsicana-Wally GP, L.L.C.,  
a Texas limited liability company,  
its general partner

By: \_\_\_\_\_  
Name: John D. Alford  
Title: Managing Member

**TENANT:**

**NAVARRO COUNTY, TEXAS**

By:  \_\_\_\_\_  
Name: H.M. Davenport  
Title: County Judge

**Attachments:**

Exhibit A Legal Description

**EXHIBIT A TO GROUND LEASE**

**Legal Description**

BEING all that certain lot, tract, or parcel of land in the J. William survey, Abstract Number 850, in the City of Corsicana, Navarro County, Texas, and being a part of a called 2.517 acre tract of land described in Volume 404, Page 377, Deed Records, Navarro County, Texas, (DRNCT); and being more particularly described as follows:

BEGINNING at a monument in concrete found (marked State of Texas) for the west corner of this tract and same for the said 2.517 acre tract and being an inset corner of a called 278.590 acre tract of land described in Volume 1804, Page 148, Real Public Records, Navarro County, Texas, (RPRNCT);

THENCE N 57 degrees 32 minutes 04 seconds E, 977.76 feet (Deed – N 60 degrees E, 1010 feet) (Bearings for this description are based on GPS observation, Texas Co-Ordinate System, North Central Zone) along the northwest line of this tract and same for the said 2.517 acre tract and along a southeast line of the called 278.590 acre tract to a 5/8 inch steel rod found in the intersection of said northwest line with the occupied southwest line of N 45th Street (F.M. 2555) (a public road) for the existing north corner of this tract and being the most easterly corner of the said 278.590 acre tract;

THENCE S 30 degrees 11 minutes 00 seconds E, 32.20 feet through the original 2.517 acre tract and the northeast line of this tract and the existing southwest line of N. 45th Street to a 1/2 inch steel rod set in the intersection of the southwest line of N. 45th Street with the northerly southeast line of the said 2.517 acre tract and in a northwest line of State Highway 31 (a public road);

THENCE along the southeast line of this tract and same for the said 2.517 acre tract and along the northwest lines of State Highway 31 as follows: S 33 degrees 45 minutes 00 seconds W, 177.10 feet (Deed – S 36 degrees 13 minutes W, 224.6 feet from approximate center of N. 45th Street) to a 1/2 inch steel rod set for corner; and S 53 degrees 14 minutes 53 seconds W, 820.03 feet (Deed – S 53 degrees 20 minutes W, 815 feet, Highway Department, 822 feet) to a 5/8 inch steel rod found for the south corner of the said 2.517 acre tract and being an easterly corner of the said 278.590 acre tract;

THENCE N 31 degrees 18 minutes 44 seconds W, 164.92 feet (Deed – N 30 degrees W, 164.6 feet) along the southwest line of this tract and same for the said 2.517 acre tract and along a northeast line of the said 278.590 acre tract to the POINT OF BEGINNING and containing approximately 2.767 acres of land.

**NON-FOREIGN CERTIFICATION**

Section 1445 of the Internal Revenue Code provides that a transferee of a U.S. real property interest must withhold tax if the transferor is a foreign person. To inform CORSICANA-WALLY, LTD., a Texas limited partnership ("**Transferee**"), that withholding of tax is not required upon the disposition of a U.S. real property interest by NAVARRO COUNTY, TEXAS ("**Transferor**"), the undersigned hereby certifies as follows:

- 1. Transferor is not a foreign person, corporation, foreign partnership, foreign trust or foreign estate (as those terms are defined in the Internal Revenue Code and Income Tax Regulations);
- 2. Transferor is not a disregarded entity as defined in Section 1.14455-2(b)(2)(iii) of the Income Tax Regulations.
- 3. Transferor's U.S. Taxpayer Identification Number is 75 600 10722
- 4. Transferors' address is:

300 W. 3rd Avenue  
Corsicana, Texas 75110

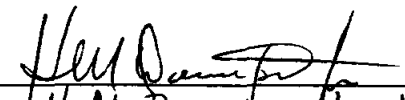
Transferor understands that this certification may be disclosed to the Internal Revenue Service by the Transferee and that any false statement contained herein could be punished by fine, imprisonment, or both.

Under penalties of perjury the undersigned, in the capacity set forth below, hereby declares that he has examined this certification and to the best of his knowledge and belief it is true, correct, and complete, and the undersigned further declares that he has authority to sign this document in such capacity.

Effective as of JUNE 1, 2007.

**TRANSFEROR:**

**NAVARRO COUNTY, TEXAS**

By:   
Name: H. M. DAVENPORT, Jr.  
Title: NAVARRO County Judge

**AFFIDAVIT AS TO DEBTS AND LIENS AND PARTIES IN POSSESSION  
(ENTITY OWNER)**

**GF#: 07R09963 ND8**  
**SUBJECT PROPERTY: See attached Exhibit "A"**  
**OWNER: Navarro County, Texas**  
**SALE TO: Corsicana-Wally, Ltd**

WE CERTIFY THE FOREGOING INSTRUMENT IS  
A TRUE AND CORRECT COPY OF THE ORIGINAL  
WHICH HAS BEEN PROPERLY EXECUTED.

STATE OF TEXAS            )  
  )  
COUNTY OF NAVARRO    )

REPUBLIC TITLE OF TEXAS, INC.  
BY: [Signature]

BEFORE ME, the undersigned authority, on this day personally appeared the undersigned Affiant, personally known to me to be the person whose name is subscribed hereto and upon oath deposes and says that:

- 1. To the best knowledge and belief of Affiant:
  - a. The charges for all labor and materials that may have been furnished to the property or to the improvements thereon have been fully paid;
  - b. No work, construction or delivery of materials has commenced or occurred;
  - c. All contracts for the furnishing of labor or materials to the property or for improvements thereon have been completed and fully paid;
  - d. There are no security agreements or leases affecting any goods or chattels that have become attached, or that will at any later date become attached, to the property or improvements thereon as fixtures that have not been fully performed and satisfied, which are not shown on the referenced title commitment, except the following:

<u>SECURED PARTY</u>	<u>APPROXIMATE AMOUNT</u>
	<i>none</i>

- e. There are no loans of any kind on the property, which are not shown on the referenced title commitment, except the following:

<u>CREDITOR</u>	<u>APPROXIMATE AMOUNT</u>
	<i>none</i>

- e. There are no brokers that have a signed commission agreement with Owner under which a commission is claimed or earned and has not been paid, which are not shown on the settlement statements, except the following:

<u>CREDITOR</u>	<u>APPROXIMATE AMOUNT</u>
	<i>none</i>

- 2. Affiant has no knowledge of a notice of change of use nor has Owner received a notice of change of use by the appraisal district.
- 3. The property is currently being used for the following purposes:  


---



---
- 4. There are no proceedings involving Owner, or notice to Owner of any proceedings, by any agency or authority, public or private, that levies taxes or assessments, which may result in taxes or assessments affecting the property and which are not shown by the referenced title commitment.
- 5. There are no Judgments, Federal Tax Liens, or State Tax Liens against Owner and/or the property.
- 6. (a) All ad valorem and personal property taxes (if any), all A-use type business taxes (if any), and all association/ maintenance type taxes or assessments (if any) that are currently due and payable have been paid or will be paid at closing and are shown on the settlement statements. (b) Any of the above referenced taxes which are the obligation of Owner and which have been prorated on the settlement statements are based on information approved by Owner.
- 7. Owner is the only occupant of the property, except (list any leases):  


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- 8. There are no unrecorded contracts, deeds, mortgages, mechanics' liens, or options affecting the property or improvements thereon, which are not shown on the referenced title commitment, except the following:  


---
- 9. No proceedings in bankruptcy or receivership have ever been instituted by or against Owner, and Owner has never made an assignment for the benefit of creditors.

THIS affidavit is made to the Purchaser/Lessee and/or Lender and to Republic Title of Texas, Inc., as an inducement to them to complete the above referenced transaction, and Affiant realizes that said Purchaser/Lessee and/or Lender and Republic Title of Texas, Inc. are relying upon the representations contained herein; and Affiant does hereby swear under the penalties of perjury that the foregoing information is true and correct in all respects, to the best knowledge and belief of Affiant, and that Affiant is authorized to make this affidavit on behalf of Owner.



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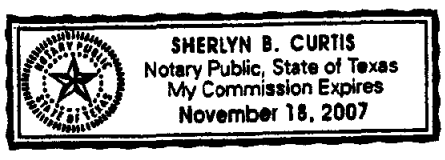
EXECUTED effective as of June 1, 2007.

NAVARRO COUNTY, TEXAS

By: [Signature]  
Name: H.M. DAVENPORT, Jr.  
Title: NAVARRO County Judge

STATE OF Texas  
COUNTY OF Navarro

SWORN TO AND SUBSCRIBED BEFORE ME on May 31, 2007, by  
H.M. Davenport, Jr.



[Signature]  
Notary Public, State of TX  
Notary's printed name: Sherlyn B. Curtis  
My commission expires: 11/18/07

Exhibit A

GF-Number 07R09963

BEGINNING at a monument in concrete found (marked State of Texas) for the west corner of this tract and same for the said 2.517 acre tract and being an inset corner of a called 278.590 acre tract of land described in Volume 1804, Page 148, Real Public Records, Navarro County, Texas, (RPRNCT);

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THENCE S 30 degrees 11 minutes 00 seconds E, 32.20 feet through the original 2.517 acre tract and the northeast line of this tract and the existing southwest line of N. 45th Street to a 1/2 inch steel rod set in the intersection of the southwest line of N. 45th Street with the northerly southeast line of the said 2.517 acre tract and in a northwest line of State Highway 31 (a public road);

THENCE along the southeast lines of this tract and same for the said 2.517 acre tract and along the northwest lines of State Highway 31 as follows: S 33 degrees 45 minutes 00 seconds W, 177.10 feet (Deed - S 36 degrees 13 minutes W, 224.6 feet from approximate center of N. 45th Street) to a 1/2 inch steel rod set for corner; and S 53 degrees 14 minutes 53 seconds W, 820.03 feet (Deed - S 53 degrees 20 minutes W, 815 feet, Highway Department, 822 feet) to a 5/8 inch steel rod found for the south corner of the said 2.517 acre tract and being an easterly corner of the said 278.590 acre tract;

THENCE N 31 degrees 18 minutes 44 seconds W, 164.92 feet (Deed - N 30 degrees W, 164.6 feet) along the southwest line of this tract and same for the said 2.517 acre tract and along a northeast line of the said 278.590 acre tract to the POINT OF BEGINNING and containing approximately 2.767 acres of land.

NOTE: The Company is prohibited from insuring the area or quantity of the land described herein. Any statement in the above legal description of the area or quantity of land is not a representation that such area or quantity is correct, but is made only for informational and/or identification purposes and does not override Item 2 of Schedule B hereof.