

NAVARRO COUNTY COMMISSIONER'S COURT

A REGULAR MEETING OF THE NAVARRO COUNTY COMMISSIONER'S COURT WAS HELD ON FRIDAY, 5TH DAY OF OCTOBER, 2007 AT 1:30 P.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 HERRINGTON
ALL VOTED AYE
2. PRAYER BY COMMISSIONER HOLT
3. PLEDGE OF ALLEGIANCE
4. PUBLIC COMMENTS- NO COMMENTS

CONSENT AGENDA

- ITEMS 5-14 MOTION APPROVE CONSENT AGENDA MOVE ITEM #11 TO REGULAR AGENDA ALSO STRIKE ITEMS #12, 13, & 14 BY HOLT SEC BY BALDWIN
ALL VOTED AYE
5. MOTION TO APPROVE THE MINUTES FROM THE PREVIOUS MEETING OF OCTOBER 1, 2007, SEPTEMBER 21, 2007
 6. MOTION TO APPROVE AND PAY BILLS AS SUBMITTED BY THE COUNTY AUDITOR
 7. MOTION TO APPROVE TAX REPORT FROM RUSSELL P. HUDSON
TO WIT PG 231-235
 8. MOTION TO APPROVE THE MINUTES OF THE SEPTEMBER 6, 2007, PLANNING AND ZONING MEETING **TO WIT PG 236-237**
 9. MOTION TO APPROVE A REPLAT OF LOTS 8 & 9 OF THE WOODS ON RICHLAND CHAMBERS PHASE I BY GEORGE KUKETZ
 10. MOTION TO APPROVE SPECIAL USE PERMIT #04-07-331 FOR GEORGE WESTOVER. THIS REQUEST IS FOR A USED MANUFACTURED HOME TO BE LOCATED ON SE 2370

12. MOTION TO STRIKE ZONING CHANGE #08-07-358 FOR SOUTHPORT MARINA DBA NORTHSORE 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
13. MOTION TO STRIKE VACATION OF THE PLAT FOR SOUTHPORT MARINA. THIS PROPERTY CONSISTS OF 11.30 ACRES IN THE ROBERT CARADINE SURVEY LOCATED AT 10000 SPUR 294
14. MOTION TO STRIKE FINAL PLAT FOR SOUTHPORT MARINA DBA NORTHSORE HARBOR CLUB BY RICK MAY. THIS PROPERTY CONSISTS OF 41.27 ACRES IN THE ROBERT CARADINE SURVEY LOCATED AT 10000 SPUR 294

REGULAR AGENDA ITEMS

11. MOTION TO APPROVE ADVISABILITY OF THE CREATION OF A PUBLIC IMPROVEMENT DISTRICT BY RICKY MAY, TO BE KNOWN AS NAVARRO COUNTY PUBLIC IMPROVEMENT DISTRICT NO.1 CONSISTING OF 41.2126 ACRES LOCATED AT 1000 SPUR 294 AFTER A AD HOC COMMITTEE CONSISTING OF ATTORNEY, ENGINEER, LANDOWNER AND TERRY JACOBSON RESEARCH AND PRESENT REPORT TO COMMISSIONERS BY HOLT SEC BY JUDGE DAVENPORT ALL VOTED AYE

ITEMS #24 & 28 TAKEN AT THIS TIME

15. MOTION TO APPROVE PRESENTATION OF ANNUAL REPORT ON NAVARRO SOIL AND WATER CONSERVATION DISTRICT FROM BOBBY WILSON BY HERRINGTON SEC BY BALDWIN ALL VOTED AYE
16. MOTION TO APPROVE GAS WELLS IN PRECINCT #3 BY XTO ENERGY, INC WHEN LEASE IS PRESENTED, REVIEWED, APPROVED BY ATTORNEY BY BALDWIN SEC BY HERRINGTON ALL VOTED AYE **TO WIT PG 238-240**
17. MOTION TO DENY REQUEST FROM MS. LEAH PATRICE NOLAN TO WAVE PENALTY AND INTEREST THAT HAS ACCRUED SINCE 1986 ON PROPERTY OWNED BY HER FAMILY FROM ADVISE OF TAX ATTORNEY BY HOLT SEC BY HERRINGTON ALL VOTED AYE

18. MOTION TO APPROVE INTERLOCAL AGREEMENT BETWEEN NAVARRO COUNTY AND THE CITY OF GOODLOW FOR COLLECTION OF AD VALOREM TAXES BY HOLT SEC BY HERRINGTON
ALL VOTED AYE **TO WIT PG 241-243**

19. MOTION TO APPROVE INTERLOCAL AGREEMENT BETWEEN THE CITY OF CORSICANA AND NAVARRO COUNTY FOR THE PROVISION OF LIBRARY, ANIMAL SHELTER, AND FIRE PROTECTION SERVICES BY OLSEN SEC BY HOLT
ALL VOTED AYE **TO WIT PG 244-245**

20. MOTION TO APPROVE INTERLOCAL AGREEMENT BETWEEN THE CITY OF CORSICANA AND NAVARRO COUNTY FOR THE PROVISION OF EMS SERVICES BY HOLT SEC BY BALDWIN
ALL VOTED AYE **TO WIT PG 246-249**

21. MOTION TO TABLE CONTRACTS WITH SOUTHWEST DATA FOR VOTER REGISTRATION SYSTEM UNTIL TUESDAY OCTOBER 9, 2007 @10:00 A.M. TO REVIEW CONTRACT BY HERRINGTON SEC BY HOLT
ALL VOTED AYE

22. MOTION TO APPROVE CONTRACT BETWEEN NAVARRO COUNTY AND JOHNSON COUNTY FOR HOUSING INMATES BY HOLT SEC BY BALDWIN
ALL VOTED AYE **TO WIT PG 250-255**

23. MOTION TO APPROVE AMENDING CONTRACT BETWEEN NAVARRO COUNTY AND LIMESTONE COUNTY FOR HOUSING INMATES BY HERRINGTON SEC BY BALDWIN
ALL VOTED AYE **TO WIT PG-256**

24. MOTION TO APPROVE AGREEMENT WITH NAVARRO REGIONAL HOSPITAL FOR INMATE HEALTH SERVICES PAY BILL AT THIS TIME LOOK AT CONTRACT FOR CLARIFICATION BY OLSEN SEC BY HERRINGTON
ALL VOTED AYE

25. MOTION TO APPROVE INTERLOCAL PARTICIPATION AGREEMENT BETWEEN NAVARRO COUNTY AND THE TEXAS ASSOCIATION OF COUNTIES RISK MANAGEMENT POOL FOR LIABILITY COVERAGE BY OLSEN SEC BY HOLT
ALL VOTED AYE **TO WIT PG 257-267**

26. MOTION TO APPROVE SELLERS AGREEMENT WITH GOVDEALS FOR SALE OF COUNTY PROPERTY VIA AN INTERNET-BASED AUCTION SYSTEM BY BALDWIN SEC BY OLSEN
ALL VOTED AYE TO WIT PG 268-276

27. MOTION TO APPROVE MAINTENANCE AGREEMENT WITH VERIZON FOR TELEPHONE SYSTEM BY JUDGE DAVENPORT SEC BY OLSEN
ALL VOTED AYE TO WIT PG 277-287

28. MOTION TO GO INTO EXECUTIVE SESSION PURSUANT TO THE TEXAS GOVERNEMENT CODE SECTION 551.074 TO DISCUSS PERSONNEL BY HOLT SEC BY HERRINGTON
ALL VOTED AYE

MOTION TO GO BACK INTO REGULAR SESSION BY HOLT SEC BY OLSEN

NO ACTION TAKEN

29. MOTION TO APPROVE RELOCATING ATMOS ENERGY PIPELINE ON SE 0070-TEPSCO INC.-WATKINS CONSTRUCTION BY HOLT SEC BY HERRINGTON
ALL VOTED AYE TO WIT PG 288-291

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

THESE MINUTES ARE HEREBY APPROVED THIS 22 DAY OF OCTOBER 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 OCTOBER 5,
2007

SIGNED 72 DAY OF OCTOBER 2007

Sherry Dowd
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 SEPTEMBER 2007

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DESCRIPTION	TAXES	DISCOUNT	PENALTY & INTEREST	SUBTOTAL	COLLECTION FEE	NET TAXES DUE	MEMO ONLY ATTY FEES	% CURRENT COLLECTED
NAVARRO COUNTY								LEVY
CURRENT	18,990.63		3,891.61	22,882.24	457.40	22,424.84	4,877.71	11,705,945.16
DELINQUENT	7,908.87		3,524.63	11,433.50	228.59	11,204.91	2,072.07	%
TOTAL STATE	26,899.50	-	7,416.24	34,315.74	685.99	33,629.75	6,949.78	0.16%
DELINQUENT								
NAVARRO COLLEGE								LEVY
CURRENT	4,302.40		878.79	5,181.19	241.24	4,939.95	1,102.88	2,644,287.80
DELINQUENT	1,828.73	-	753.64	2,582.37	197.57	2,384.80	473.49	%
TOTAL	6,131.13	-	1,632.43	7,763.56	438.81	7,324.75	1,576.37	0.16%
CITY OF RICE								LEVY
CURRENT	67.11	-	12.81	79.92	3.53	76.39	15.98	64,141.16
DELINQUENT	575.25		215.83	791.08	56.84	734.24	158.21	%
TOTAL	642.36	-	228.64	871.00	60.37	810.63	174.19	0.10%
CITY OF KERENS								LEVY
CURRENT	965.88		192.76	1,158.64	53.02	1,105.62	231.73	198,858.72
DELINQUENT	208.93	-	81.52	290.45	21.42	269.03	38.57	%
TOTAL	1,174.81	-	274.28	1,449.09	74.44	1,374.65	270.30	0.49%
CITY OF CORSICANA								LEVY
CURRENT	5,464.37	-	1,082.61	6,546.98	297.98	6,249.00	1,309.38	6,253,983.84
DELINQUENT	1,585.48	-	795.13	2,380.61	206.71	2,173.90	426.46	%
TOTAL	7,049.85	-	1,877.74	8,927.59	504.69	8,422.90	1,735.84	0.09%

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

DESCRIPTION	TAXES	DISCOUNT	PENALTY & INTEREST	SUBTOTAL	COLLECTION FEE	NET TAXES DUE	MEMO ONLY ATTORNEY FEES	% CURRENT COLLECTED
CITY OF DAWSON								LEVY
CURRENT	54.12		10.37	64.49	2.87	61.62	12.89	59,126.08
DELINQUENT	31.11		58.46	89.57	14.77	74.80	13.43	%
TOTAL	85.23	-	68.83	154.06	17.64	136.42	26.32	0.09%
BLOOMING GROVE ISD								LEVY
CURRENT	2,413.64		400.88	2,814.52	112.30	2,702.22	484.76	1,409,893.29
DELINQUENT	2,359.88		1,046.56	3,406.44	273.44	3,133.00	650.41	%
TOTAL	4,773.52	-	1,447.44	6,220.96	385.74	5,835.22	1,135.17	0.17%
DAWSON ISD								LEVY
CURRENT	2,059.23	-	398.25	2,457.48	109.83	2,347.65	491.49	808,559.63
DELINQUENT	73.53	-	36.38	109.91	9.46	100.45	21.99	%
TOTAL	2,132.76	-	434.63	2,567.39	119.29	2,448.10	513.48	0.25%
RICE ISD								LEVY
CURRENT	2,804.16		554.61	3,358.77	152.67	3,206.10	671.74	958,407.00
DELINQUENT	6,468.55		2,581.53	9,050.08	677.71	8,372.37	1,758.46	%
TOTAL	9,272.71	-	3,136.14	12,408.85	830.38	11,578.47	2,430.20	0.29%
CITY-BLOOMING GROVE								LEVY
CURRENT	78.85		15.77	94.62	4.34	90.28	18.92	75,312.48
DELINQUENT	352.34		188.77	541.11	48.96	492.15	85.32	%
TOTAL	431.19	-	204.54	635.73	53.30	582.43	104.24	0.10%

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

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DESCRIPTION	TAXES	DISCOUNT	PENALTY & INTEREST	SUBTOTAL	COLLECTION FEE	NET TAXES DUE	MEMO ONLY ATTY FEES	% CURRENT COLLECTED
CITY OF BARRY								LEVY
CURRENT	148.94		29.79	178.73	8.19	170.54	35.75	12,232.53
DELINQUENT	203.06		75.55	278.61	19.90	258.71	55.72	%
TOTAL	352.00	-	105.34	457.34	28.09	429.25	91.47	1.22%
CITY OF EMHOUSE								LEVY
CURRENT	38.56	-	7.71	46.27	2.12	44.15	9.25	7,635.82
DELINQUENT				-		-		%
TOTAL	38.56	-	7.71	46.27	2.12	44.15	9.25	0.50%
CITY OF RICHLAND								LEVY
CURRENT	40.23	-	8.04	48.27	2.21	46.06	9.65	11,493.85
DELINQUENT	26.71		8.54	35.25	2.27	32.98	7.06	%
TOTAL	66.94	-	16.58	83.52	4.48	79.04	16.71	0.35%
CITY OF GOODLOW								LEVY
CURRENT	8.35	-	1.67	10.02	0.46	9.56	2.00	2,521.14
DELINQUENT				-		-		%
TOTAL	8.35	-	1.67	10.02	0.46	9.56	2.00	0.33%
GRAND TOTAL	59,058.91		16,852.21	75,911.12	3,205.80	72,705.32	15,035.32	YR-TO-DATE%

MEMO:

TOTAL COLLECTED	<u>90,946.44</u>
ROLLBACK TAXES	<u>-</u>
TAX CERTIFICATES	<u>1,870.00</u>
HOT CK FEES	<u>0.00</u>

SUPPLEMENTAL CHANGES:

COUNTY	<u>(1,876.81)</u>	BARRY	<u> </u>
COLLEGE	<u>(424.14)</u>	EMHOUSE	<u> </u>
RICE	<u> </u>	RICHLAND	<u> </u>
KERENS	<u> </u>	GOODLOW	<u> </u>
CORSICANA	<u>(87.12)</u>	*DAWSON	<u> </u>
*BG ISD	<u>(217.95)</u>	*DAWSON ISD	<u> </u>
*RICE ISD	<u> </u>	**BLOOMING GR.	<u> </u>

CURRENT COLLECTED

COUNTY	97.20%
COLLEGE	97.15%
RICE	95.05%
KERENS	93.29%
CORSICANA	97.92%
BARRY	96.77%
EMHOUSE	92.46%
RICHLAND	93.55%
GOODLOW	72.39%
*DAWSON	93.18%
*BG ISD	96.02%
*DAWSON ISD	94.95%
*RICE ISD	94.22%

*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 SEPTEMBER 2007

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	TAXES	PENALTY & INTEREST	SUBTOTAL	COLLECTION FEE	NET TAXES DUE	MEMO ONLY ATTORNEY FEES
CURRENT TAXES						
COUNTY	16,073.07	3,293.75	19,366.82	387.23	18,979.59	4,127.30
ROAD & BRIDGE	2,637.98	541.04	3,179.02	63.53	3,115.49	678.96
FLOOD CONTROL	279.58	56.82	336.40	6.64	329.76	71.45
TOTAL	18,990.63	3,891.61	22,882.24	457.40	22,424.84	4,877.71
DELINQUENT TAXES						
COUNTY	6,654.60	2,997.61	9,652.21	193.04	9,459.17	1,738.15
STATE	-	-	-	-	-	-
ROAD & BRIDGE	1,140.87	481.75	1,622.62	32.41	1,590.21	305.05
FLOOD CONTROL	113.40	45.27	158.67	3.14	155.53	28.87
TOTAL	7,908.87	3,524.63	11,433.50	228.59	11,204.91	2,072.07
TOTAL ALLOCATION						
COUNTY	22,727.67	6,291.36	29,019.03	580.27	28,438.76	5,865.45
STATE	-	-	-	-	-	-
ROAD & BRIDGE	3,778.85	1,022.79	4,801.64	95.94	4,705.70	984.01
FLOOD CONTROL	392.98	102.09	495.07	9.78	485.29	100.32
TOTAL	26,899.50	7,416.24	34,315.74	685.99	33,629.75	6,949.78

COUNTY TAX REPORT
Prepared by Gail Smith
Navarro County Tax Office



NAVARRO COUNTY OFFICE OF PLANNING & DEVELOPMENT

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

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PLANNING AND ZONING COMMISSION MINUTES

September 6, 2007

5:30 P.M.

County Courtroom

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

- | | |
|-----------------------------|----------------------------|
| Chairman Jacobson – present | Vice Chairman Moe – absent |
| Scott Watkins – present | Conrad Newton – present |
| Carroll Sigman – present | Wayne McGuire - present |
| Benny Horn – absent | Tom White – present |
| Dennis Bancroft – present | Dolores Baldwin – present |
| Charles Irvine – present | George Walker – absent |
| Eben Dale Stover – absent | Jeff Smith - absent |

The first item on the agenda was the approval of the minutes of the August 2, 2007, Planning and Zoning meeting. Motion to approve by Commissioner Irvine, second by Commissioner Newton, all voted aye.

Item # 3 on the agenda was consideration of a replat of lots 12, 13, 14, and 15 of The Woods at Richland Chambers Phase II by George Baum. Motion by Commissioner Bancroft, to approve contingent upon two changes to the survey regarding the 315 and 325 elevations, second by Commissioner Newton, all voted aye.

Item # 4 on the agenda was consideration of special use permit #08-07-357 for Keith Phillips. This request is for a storage building with a variance for size to be located on lot 5 of Mattie Caston Shores Phase II. The building is 40'x60'. The building will have no utilities except electricity and at no time shall be used as a living facility. Motion to approve by Commissioner Irvine, second by Commissioner Baldwin, all voted aye.

Planning and Zoning Minutes
September 6, 2007
Page 2

Item # 5 on the agenda was consideration of a replat of lots 355, 356, and 357 of The Shores on Richland Chambers Lake Phase III by George Spencer. Mr. Spencer owns all three lots and wants to combine them into one. Motion to approve by Commissioner Sigman, second by Commissioner Baldwin, all votes aye.

Item # 6 of the agenda was consideration of special use permit #08-07-359 for Jeffery K. Kelly and Carol Turner. This request is for a water well to be located on lot 28A of Village Woods. Motion to approve by Commissioner White, second by Commissioner McGuire, all voted aye.

Item # 7, 8, 9, and 10 were tabled by acclamation.

Item # 11 on the agenda was consideration of a variance for special use permit #'s 07-07-354, 07-07-353, and 07-07-352 for Atoka Operating, Inc. It was determined that these wells were within 600' of the boundary of a final platted subdivision, 300' of the boundary line of an abutting property with a residential structure and 600' from a residential structure, therefore requiring a variance. Motion to approve by Commissioner Newton, second by Commissioner Watkins, all voted aye.

Adjourn.

NOTICE OF CONFIDENTIALITY RIGHTS: A NATURAL PERSON MAY REMOVE OR STRIKE ANY OR ALL OF THE FOLLOWING INFORMATION BEFORE IT IS FILED IN THE PUBLIC RECORDS: YOUR SOCIAL SECURITY NUMBER OR YOUR DRIVER'S LICENSE NUMBER.

XTO REV PROD 88 (7-69) PAID UP (04/17/07)

OIL, GAS AND MINERAL LEASE

THIS AGREEMENT made this 5th day of October, 2007, between

Navarro County, Texas, a political subdivision of the State of Texas, acting by and through its duly authorized representatives, Lessor (whether one or more), whose address is: PO Box 1070, Corsicana, Texas 75151, and XTO Energy Inc., whose address is: 810 Houston St., Fort Worth, Texas 76102, Lessee, WITNESSETH:

1 Lessor, in consideration of ten dollars and other valuable consideration, receipt of which is hereby acknowledged, and of the covenants and agreements of Lessee hereinafter contained, does hereby grant, lease and let unto Lessee the land covered hereby for the purposes and with the exclusive right of exploring, drilling, mining and operating for, producing and owning oil, gas, sulphur and all other minerals (whether or not similar to those mentioned), together with the right to make surveys on said land, lay pipe lines, establish and utilize facilities for surface or subsurface disposal of salt water, construct roads and bridges, dig canals, build tanks, power stations, telephone lines, employee houses and other structures on said land, necessary or useful in Lessee's operations in exploring, drilling for, producing, treating, storing and transporting minerals produced from the land covered hereby or any other land adjacent thereto. The land covered hereby, herein called "said land," is located in the County of Navarro, State of Texas, and is described as follows.

234.00 acres of land, more or less, a part of the H. W. WARD SURVEY, A-842, Navarro County, Texas, being the same land fully described on page 1 of that certain Partition Deed dated December 2, 1986, between Katherine Griffin Holloway and Navarro County, recorded in Volume 1089, Page 268, Deed Records of Navarro County, Texas,

SEE ATTACHED EXHIBIT "A" FOR ADDITIONAL PROVISIONS

This lease also covers and includes, in addition to that above described, all land, if any, contiguous or adjacent to or adjoining the land above described and (a) owned or claimed by Lessor by limitation, prescription, possession, reversion, after-acquired title or unrecorded instrument or (b) as to which Lessor has a preference right of acquisition. Lessor agrees to execute any supplemental instrument requested by Lessee for a more complete or accurate description of said land. For the purpose of determining the amount of any bonus or other payment hereunder, said land shall be deemed to contain 234.00 acres, whether actually containing more or less, and the above recital of acreage in any tract shall be deemed to be the true acreage thereof. Lessor accepts the bonus as lump sum consideration for this lease and all rights and options hereunder.

2. Unless sooner terminated or longer kept in force under other provisions hereof, this lease shall remain in force for a term of 3 (THREE) years from the date hereof, hereinafter called "primary term," and as long thereafter as operations, as hereinafter defined, are conducted upon said land with no cessation for more than ninety (90) consecutive days.

3. As royalty, Lessee covenants and agrees: (a) To deliver to the credit of Lessor, in the pipe line to which Lessee may connect its wells, the equal 1/5th part of all oil produced and saved by Lessee from said land, or from time to time, at the option of Lessee, to pay Lessor the average posted market price of such 1/5th part of such oil at the wells as of the day it is run to the pipe line or storage tanks, Lessor's interest, in either case, to bear 1/5th of the cost of treating oil to render it marketable pipe line oil, (b) To pay Lessor on gas and casinghead gas produced from said land (1) when sold by Lessee, 1/5th of the amount realized by Lessee, computed at the mouth of the well, or (2) when used by Lessee off said land or in the manufacture of gasoline or other products, the market value, at the mouth of the well, of 1/5th of such gas and casinghead gas, (c) To pay Lessor on all other minerals mined and marketed or utilized by Lessee from said land, one-tenth either in kind or value at the well or mine at Lessee's election, except that on sulphur mined and marketed the royalty shall be one dollar (\$1.00) per long ton. If, at the expiration of the primary term or at any time or times thereafter, there is any well on said land or on lands with which said land or any portion thereof has been pooled, capable of producing oil or gas, and all such wells are shut-in, this lease shall, nevertheless, continue in force as though operations were being conducted on said land for so long as said wells are shut-in, and thereafter this lease may be continued in force as if no shut-in had occurred. Lessee covenants and agrees to use reasonable diligence to produce, utilize, or market the minerals capable of being produced from said wells, but in the exercise of such diligence, Lessee shall not be obligated to install or furnish facilities other than well facilities and ordinary lease facilities of flow lines, separator, and lease tank, and shall not be required to settle labor trouble or to market gas upon terms unacceptable to Lessee. If, at any time or times after the expiration of the primary term, all such wells are shut-in for a period of ninety consecutive days, and during such time there are no operations on said land, then at or before the expiration of said ninety day period, Lessee shall pay or tender, by check or draft of Lessee, as royalty, a sum equal to one dollar (\$1.00) for each acre of land then covered hereby. Lessee shall make like payments or tenders at or before the end of each anniversary of the expiration of said ninety day period if upon such anniversary this lease is being continued in force solely by reason of the provisions of this paragraph. Each such payment or tender shall be made to the parties who at the time of payment would be entitled to receive the royalties which would be paid under this lease if the wells were producing, and may be deposited in such bank as directed by Lessor, or its successors, which shall continue as the depositories, regardless of changes in the ownership of shut-in royalty. If at any time that Lessee pays or tenders shut-in royalty, two or more parties are, or claim to be, entitled to receive same. Lessee may, in lieu of any other method of payment herein provided, pay or tender such shut-in royalty, in the manner above specified, either jointly to such parties or separately to each in accordance with their respective ownerships thereof, as Lessee may elect. Any payment hereunder may be made by check or draft of Lessee deposited in the mail or delivered to the party entitled to receive payment or to a depository bank provided for above on or before the last date for payment. Nothing herein shall impair Lessee's right to release as provided in paragraph 5 hereof. In the event of assignment of this lease in whole or in part, liability for payment hereunder shall rest exclusively on the then owner or owners of this lease, severally as to acreage owned by each.

4. Lessee is hereby granted the right, at its option, to pool or unitize any land covered by this lease with any other land covered by this lease, and/or with any other land, lease, or leases, as to any or all minerals or horizons, so as to establish units containing not more than 80 surface acres, plus 10% acreage tolerance; provided, however, units may be established as to any one or more horizons, or existing units may be enlarged as to any one or more horizons, so as to contain not more than 640 surface acres plus 10% acreage tolerance, if limited to one or more of the following: (1) gas, other than casinghead gas, (2) liquid hydrocarbons (condensate) which are not liquids in the subsurface reservoir, (3) minerals produced from wells classified as gas wells by the conservation agency having jurisdiction. If larger units than any of those herein permitted, either at the time established, or after enlargement, are permitted or required under any governmental rule or order, for the drilling or operation of a well at a regular location, or for obtaining maximum allowable from any well to be drilled, drilling, or already drilled, any such unit may be established or enlarged to conform to the size permitted or required by such governmental order or rule. Lessee shall exercise said option as to each desired unit by executing an instrument identifying such unit and filing it for record in the public office in which this lease is recorded. Such unit shall become effective as of the date provided for in said instrument or instruments but if said instrument or instruments make no such provision, then such unit shall become effective on the date such instrument or instruments are so filed of record. Each of said options may be exercised by Lessee at any time and from time to time while this lease is in force, and whether before or after operations or production has been established either on said land, or on the portion of said land included in the unit, or on other land unitized therewith. A unit established hereunder shall be valid and effective for all purposes of this lease even though there may be mineral, royalty, or leasehold interests in lands within the unit which are not effectively pooled or unitized. Any operations conducted on any part of such unitized land shall be considered, for all purposes, except the payment of royalty, operations conducted upon said land under this lease. There shall be allocated to the land covered by this lease within each such unit (or to each separate tract within the unit if this lease covers separate tracts within the unit) that proportion of the total production of unitized minerals from the unit, after deducting any used in lease or unit operations, which the number of surface acres in such land (or in each such separate tract) covered by this lease within the unit bears to the total number of surface acres in the unit, and the production so allocated shall be considered for all purposes, including payment or delivery of royalty, overriding royalty and any other payments out of production, to be the entire production of unitized minerals from the land to which allocated in the same manner as though produced therefrom under the terms of this lease. The owner of the reversionary estate of any term royalty or mineral estate agrees that the accrual of royalties pursuant to this paragraph or of shut-in royalties from a well on the unit shall satisfy any limitation of term requiring production of oil or gas. The formation of any unit hereunder which includes land not covered by this lease shall not have the effect of exchanging or transferring any interest under this lease (including, without limitation, any shut-in royalty which may become payable under this lease) between parties owning interests in land covered by this lease and parties owning interests in land not covered by this lease. Neither shall it impair the right of Lessee to release as provided in paragraph 5 hereof, except that Lessee may not so release as to lands within a unit while there are operations thereon for unitized minerals unless all pooled leases are released as to lands within the unit. At any time while this lease is in force Lessee may dissolve any unit established hereunder by filing for record in the public office where this lease is recorded a declaration to that effect, if at that time there is no unitized minerals being produced from such unit. Any unit formed may be amended, re-formed, reduced or enlarged by Lessee at its election at any time and from time to time after the original forming thereof by filing an appropriate instrument of record in the public office in which the pooled acreage is located. Subject to the provisions of this paragraph 4, a unit once established hereunder shall remain in force so long as any lease subject thereto shall remain in force. If this lease now or hereafter covers separate tracts, no pooling or unitization of royalty interests as between any such separate tracts is intended or shall be implied or result merely from the inclusion of such separate tracts within this lease but Lessee shall nevertheless have the right to pool or unitize as provided in this paragraph 4 with consequent allocation of production as herein provided. As used in this paragraph 4, the words "separate tract" mean any tract with royalty ownership differing, now or hereafter, either as to parties or amounts, from that as to any other part of the leased premises.

5. Lessee may at any time and from time to time execute and deliver to Lessor or file for record a release or releases of this lease as to any part or all of said land or of any mineral or horizon thereunder, and thereby be relieved of all obligations, as to the released acreage or interest.

6. Whenever used in this lease the word "operations" shall mean operations for and/or any of the following: drilling, testing, completing, reworking, recompleting, deepening, sidetracking, plugging back or repairing of a well in search for or in an endeavor to obtain production of oil, gas, sulphur or other minerals, excavating a mine, production of oil, gas, sulphur or other mineral, whether or not in paying quantities.

7. Lessee shall have the use, free from royalty, of water, other than from Lessor's water wells, and of oil and gas produced from said land in all operations hereunder. Lessee shall have the right at any time to remove all machinery and fixtures placed on said land, including the right to draw and remove casing. No well shall be drilled nearer than 200 feet to the house or barn now on said land without the consent of the Lessor. Lessee shall pay for damages caused by its operations to growing crops and timber on said land.

8. The rights and estate of any party hereto may be assigned from time to time in whole or in part and as to any mineral or horizon. All of the covenants, obligations, and considerations of this lease shall extend to and be binding upon the parties hereto, their heirs, successors, assigns, and successive assigns. No change or division in the ownership of said land, royalties, or other moneys, or any part thereof, howsoever effected, shall increase the obligations or diminish the rights of Lessee, including, but not limited to, the location and drilling of wells and the measurement of production. Notwithstanding any other actual or constructive knowledge or notice thereof of or to Lessee, its successors or assigns, no change or division in the ownership of said land or of the royalties, or other moneys, or the right to receive the same, howsoever effected, shall be binding upon the then record owner of this lease until sixty (60) days after there has been furnished to such record owner at his or its principal place of business by Lessor or Lessor's heirs, successors, or assigns, notice of such change or division, supported by either originals or duly certified copies of the instruments which have been properly filed for record and which evidence such change or division, and of such court records and proceedings, transcripts, or other documents as shall be necessary in the opinion of such record owner to establish the validity of such change or division. If any such change in ownership occurs by reason of the death of the owner, Lessee may, nevertheless pay or tender such royalties, or other moneys, or part thereof, to the credit of the decedent in a depository bank provided for above.

9. In the event Lessor considers that Lessee has not complied with all its obligations hereunder, both express and implied, Lessor shall notify Lessee in writing, setting out specifically in what respects Lessee has breached this contract. Lessee shall then have sixty (60) days after receipt of said notice within which to meet or commence to meet all or any part of the breaches alleged by Lessor. The service of said notice shall be precedent to the bringing of any action by Lessor on said lease for any cause, and no such action shall be brought until the lapse of sixty (60) days after service of such notice on Lessee. Neither the service of said notice nor the doing of any acts by Lessee aimed to meet all or any of the alleged breaches shall be deemed an admission or presumption that Lessee has failed to perform all its obligations hereunder. If this lease is canceled for any cause, it shall nevertheless remain in force and effect as to (1) sufficient acreage around each well as to which there are operations to constitute a drilling or maximum allowable unit under applicable governmental regulations, (but in no event less than forty acres), such acreage to be designated by Lessee as nearly as practicable in the form of a square centered at the well, or in such shape as then existing spacing rules require; and (2) any part of said land included in a pooled unit on which there are operations. Lessee shall also have such easements on said land as are necessary to operations on the acreage so retained and shall not be required to move or remove any existing surface facilities necessary or convenient for current operations.

10. Lessor hereby warrants and agrees to defend title to said land against the claims of all persons whomsoever. Lessor's rights and interests hereunder shall be charged primarily with any mortgages, taxes or other liens, or interest and other charges on said land, but Lessor agrees that Lessee shall have the right at any time to pay or reduce same for Lessor, either before or after maturity, and be subrogated to the rights of the holder thereof and to deduct amounts so paid from royalties or other payments payable or which may become payable to Lessor and/or assigns under this lease. If this lease covers a less interest in the oil, gas, sulphur, or other minerals in all or any part of said land than the entire and undivided fee simple estate (whether Lessor's interest is herein specified or not), or no interest therein, then the royalties and other moneys accruing from any part as to which this lease covers less than such full interest, shall be paid only in the proportion which the interest therein, if any, covered by this lease, bears to the whole and undivided fee simple estate therein. All royalty interest covered by this lease (whether or not owned by Lessor) shall be paid out of the royalty herein provided. This lease shall be binding upon each party who executes it without regard to whether it is executed by all those named herein as Lessor.

11. If, while this lease is in force, at, or after the expiration of the primary term hereof, it is not being continued in force by reason of the shut-in well provisions of paragraph 3 hereof, and Lessee is not conducting operations on said land by reason of (1) any law, order, rule or regulation, (whether or not subsequently determined to be invalid) or (2) any other cause, whether similar or dissimilar, (except financial) beyond the reasonable control of Lessee, the primary term hereof shall be extended until the first anniversary date hereof occurring ninety (90) or more days following the removal of such delaying cause, and this lease may be extended thereafter by operations as if such delay had not occurred.

12. Lessor agrees that this lease covers and includes any and all of Lessor's rights in and to any existing well(s) and/or wellbore(s) on said land, other than existing water wells, and for all purposes of this lease the re-entry and use by Lessee of any existing well and/or wellbore shall be deemed the same as the drilling of a new well.

IN WITNESS WHEREOF, this instrument is executed on the date first above written.

[Handwritten Signature]

Navarro County, Texas, by Judge H.M Davenport, Jr., Judge Presiding

STATE OF TEXAS }

} ss

(ACKNOWLEDGMENT FOR INDIVIDUAL)

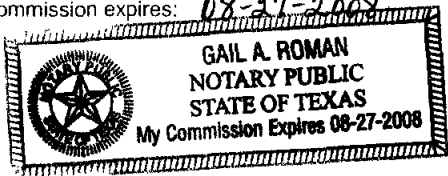
COUNTY OF NAVARRO }

This instrument was acknowledged before me on the 9th day of October, 2007 by Navarro County, Texas, by Judge H.M Davenport, Jr., Judge Presiding.

My commission expires: 08-27-2008

Signature Gail A. Roman
Notary Public

Seal:



Printed Gail A. Roman

STATE OF }

} ss.

(ACKNOWLEDGMENT FOR CORPORATION)

COUNTY OF }

This instrument was acknowledged before me on the _____ day of _____, _____, by _____, as _____ a _____ corporation, on behalf of said corporation.

My commission expires:

Signature _____
Notary Public

Seal:

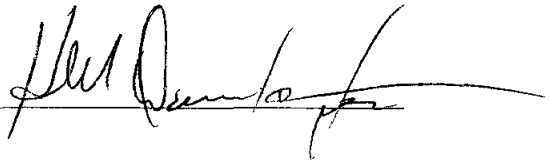
Printed _____

EXHIBIT "A"

ATTACHED TO AND MADE A PART OF THAT CERTAIN OIL, GAS AND MINERAL LEASE BETWEEN, NAVARRO COUNTY, TEXAS, A POLITICAL SUBDIVISION OF THE STATE OF TEXAS, ACTING BY AND THROUGH ITS DULY AUTHORIZED REPRESENTATIVES, LESSOR, AND XTO ENERGY INC., LESSEE.

- 13) It is agreed and understood that this lease is limited to oil, gas and other hydrocarbons and substances normally associated with the production of oil and gas. Minerals not covered by this lease include (but are not limited to) sand, clay, gravel, iron ore, coal, lignite and uranium.
- 14) In the event a portion or portions of the land herein leased is pooled or utilized with other land so far as to form a pooled unit or units, operations on, completion of a well upon, or production from such unit or units will not maintain this lease in force as to the land not included in such unit or units. The lease may be maintained in force as to any land covered hereby and not included in such unit or units in any manner provided for herein.

SIGNED FOR IDENTIFICATION: _____

A handwritten signature in black ink, appearing to be "H. J. ...", written over a horizontal line.

END OF EXHIBIT "A"

STATE OF TEXAS §

COUNTY OF NAVARRO §

INTERLOCAL CONTRACT FOR TAX COLLECTION

This contract is entered into between NAVARRO COUNTY, hereinafter called "County", and the CITY OF GOODLOW, hereinafter called the "City", 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 City by the County. County agrees to assess and collect ad valorem taxes on behalf of City during the contract term, and City 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 1st 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 1st. It will be deemed that the parties' silence is affirmative acceptance of the one-year renewal and extension.

III. Limitations Designated by City

The City is a General Law B governed by its city charter and 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

City 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 City has a current contract with a delinquent tax attorney, that contract will be honored by County.

VI. Bonds and Deposits

The County holds a Public Employee Dishonesty Bond with an insurance company 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 pay over collected funds to the City monthly. Any interest earned on collected funds will be the property of 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 City.
- B. Complete all reports required by the City 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 City tax collections and to make such records available for inspection during normal working hours by any authorized representative of the City, and
- E. Keep a current delinquent tax roll and to reconcile the delinquent tax roll annually.

VIII. City Records

City agrees to make available all of its assessment and collections records and to Cooperate generally with County in the performance of this agreement.

IX. Tax Certificates

County shall prepare and issue tax certificates to taxpayers on behalf of the City 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 City. In regards to the assessment and collection of taxes, County agrees to accept any reasonable direction, supervision, and requirements of the City 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 City, and may take such actions as it believes appropriate and recommends from time to time unless objection is made by the City.

XI. Compensation

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

- A. One-half 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 City not heretofore referenced, including but not limited to TIF Zones 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 City on the computer. County further agrees to provide at any reasonable time upon written request from the City, a printout reflecting the current status of the assessment and collection of taxes, within one (1) business day after such request.

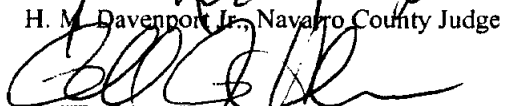
XIII. Applicable Laws

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 or the Charter for the City, 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, city charter, 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.

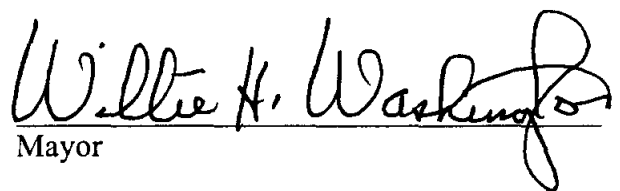
Each party executing this agreement represents to the other that his or her execution hereof is properly authorized by the required vote of the governing body of the respective party. This agreement is executed effective the 21 day of Sept., 2007

APPROVED:



H. M. Davenport Jr., Navarro County Judge


Russell P. Hudson, Tax Assessor-Collector



Walter H. Washington
Mayor



ATTEST:



Sherry Dowd, County Clerk

ATTEST:

City Secretary

RESOLUTION NO. 3167

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CORSICANA, TEXAS, AUTHORIZING THE MAYOR TO EXECUTE AN INTERLOCAL AGREEMENT BETWEEN THE CITY OF CORSICANA AND NAVARRO COUNTY FOR THE PROVISION OF LIBRARY, ANIMAL SHELTER, AND FIRE PROTECTION SERVICES.

WHEREAS, in accordance with the provisions of the Interlocal Cooperation Act, Texas Government Code Chapter 791, the City of Corsicana and Navarro County have identified certain common, legitimate public purposes for entering into an interlocal agreement; and

WHEREAS, this Agreement is proposed for the efficient and effective use of resources and is in the best economical interests of both the City and the County; and

WHEREAS, the City of Corsicana and Navarro County have agreed to cooperate in the provision of library services, animal shelter services and fire protection services; and

WHEREAS, the terms and conditions are set forth in the attached Agreement and incorporated herein as if fully set forth at length.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF CORSICANA, TEXAS, that the Mayor is hereby authorized to execute an Interlocal Agreement between the City of Corsicana and Navarro County for the provision of library services, animal shelter services, and fire protection services under the terms and conditions set forth in the attached agreement.

PASSED and APPROVED by majority vote of the City Council of the City of Corsicana this 18th day of September, 2007.




C. L. Brown, Mayor

ATTEST:



Cathy McMullan, City Secretary

APPROVED AS TO FORM:



Terry Jacobson, City Attorney

STATE OF TEXAS §

COUNTY OF NAVARRO §

WITNESSETH this agreement by and between the County of Navarro, hereafter called "County," acting by and through its duly authorized representative, and the City of Corsicana, hereinafter called "City," acting by and through its duly authorized representative, as follows:

WHEREAS, the County recognizes the need for library and animal shelter services for all County residents; and

WHEREAS, the County realizes that assistance and support from professional firefighters may at times be required by volunteer fire departments; and

WHEREAS, the City maintains a full-service library, animal shelter service and a force of professional firefighters.

NOW, THEREFORE, BE IT ORDAINED that the County and the City wish to enter into a contract agreement for the twelve (12) month period beginning October 1, 2007 and ending September 30, 2008, as follows:

- 1) The County will pay the City the sum of \$25,000 for library service, \$25,000 for animal shelter service and \$25,000 for support and assistance to volunteer fire departments for a total amount of \$75,000, due and payable by March 31, 2008.
- 2) The City will provide library services, animal shelter services and fire protection services to County residents.

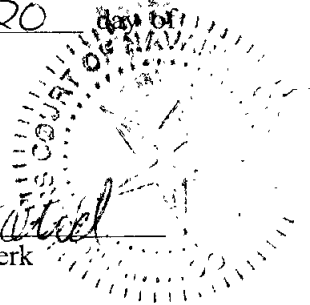
It is understood and agreed that this agreement is binding and effective only if approved and ratified by the governing bodies of each governmental entity or party hereto.

APPROVED and RATIFIED by the County of Navarro, Texas this 20th day of September, 2007.

COUNTY OF NAVARRO, TEXAS

By: [Signature]
H. M. Davenport, County Judge

[Signature]
Sherry Dowd, County Clerk



APPROVED and RATIFIED by the City of Corsicana, Texas this 18th day of September, 2007.

CITY OF CORSICANA, TEXAS

By: [Signature]
C. L. Brown, Mayor

[Signature]
Cathy McMullan, City Secretary

RESOLUTION NO. 3166

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CORSICANA, TEXAS, AUTHORIZING THE MAYOR TO EXECUTE AN INTERLOCAL AGREEMENT BETWEEN THE CITY OF CORSICANA AND NAVARRO COUNTY FOR THE PROVISION OF EMS SERVICES.

WHEREAS, in accordance with the provisions of the Interlocal Cooperation Act, Texas Government Code Chapter 791, the City of Corsicana and Navarro County have identified certain common, legitimate public purposes for entering into an interlocal agreement; and


WHEREAS, this Agreement is proposed for the efficient and effective use of resources and is in the best economical interests of both the City and the County; and

WHEREAS, the City of Corsicana and Navarro County have agreed to cooperate in the provision of EMS services; and

WHEREAS, the terms and conditions are set forth in the attached Agreement and incorporated herein as if fully set forth at length.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF CORSICANA, TEXAS, that the Mayor is hereby authorized to execute an Interlocal Agreement between the City of Corsicana and Navarro County for the provision of EMS services under the terms and conditions set forth in the attached agreement.

PASSED and APPROVED by majority vote of the City Council of the City of Corsicana this 18th day of September, 2007.




C. L. Brown, Mayor

ATTEST:



Cathy McMullan, City Secretary

APPROVED AS TO FORM:



Terry Jacobson, City Attorney

STATE OF TEXAS §
KNOW ALL MEN BY THESE PRESENTS
COUNTY OF NAVARRO §

**INTERLOCAL AGREEMENT BETWEEN THE COUNTY OF
NAVARRO AND THE CITY OF CORSICANA**

PREAMBLE:

The Parties of this Agreement (“Agreement”) are the County of Navarro (“the County”) and the City of Corsicana (“the City”), (collectively referred to as the “Parties”). The County and the City enter into this Agreement under the provisions of the Interlocal Cooperation Act, Texas Government Code Chapter 791. This Agreement is made for the purpose of efficient and effective use of resources and is in the best economical interests of the County and the City.

The County is a political subdivision of the State of Texas, located in Navarro County, Texas, who may be contacted c/o H. M. Davenport, Navarro County Judge, Navarro County Courthouse, 300 West 3rd Avenue, Corsicana, Navarro County, Texas 75110.

The City is a municipal entity which may be contacted c/o Mayor, C. L. Brown, at 200 North 12th Street, Corsicana, Navarro County, Texas 75110.

WHEREAS, the County and the City have identified certain common, legitimate public purposes in entering into this agreement; and

WHEREAS, the County and the City have historically enjoyed a mutually satisfactory and cooperative relationship that has benefited the citizens of Navarro County and the citizens of the City of Corsicana, and both parties intend future cooperation with each other; and

WHEREAS, the governing bodies of the County and the City have each met in legally convened open meetings and authorized their respective representatives to negotiate into this Agreement; and

WHEREAS, the County and City agree to cooperate in the provision of EMS services to County residents.

NOW, THEREFORE:

The County of Navarro and the City of Corsicana, acting by and through their designated and authorized representatives, hereby agree as follows:

1. Navarro County shall pay to the City during the 2007-2008 fiscal year the sum of \$350,000, in equal quarterly installments of \$87,500 each.
2. The total scheduled payment of \$350,000 in 2007-2008 for EMS service shall continue under this agreement regardless of the status of service.
3. To the extent allowed by law, the County and the City hold each other harmless from all damages, costs, expenses or liabilities of any kind arising under this Agreement or as a result of each entity's performance hereunder.

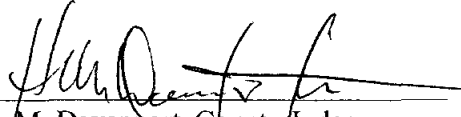
GENERAL TERMS AND AGREEMENTS:

- A. This Agreement shall be binding upon, and inure to the benefit of, the Parties to this Agreement and their respective legal representatives, successors, and assigns when permitted by this Agreement.
- B. This Agreement shall be constructed under and in accordance with the laws of the State of Texas and all obligations of the parties created by this Agreement are performable in Navarro County, Texas.
- C. No amendment or modification of the terms of this Agreement shall be binding unless it is in writing, dated subsequent to the date of this Agreement approved by the Parties' respective governing bodies, and duly executed by the Parties to this Agreement.

The undersigned City executes this Agreement on the 18th day of September, 2007, and the County on the 20 day of September, 2007.

NAVARRO COUNTY

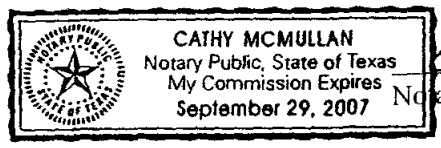
CITY OF CORSICANA, TEXAS

By: 
H. M. Davenport, County Judge

By: 
C. L. Brown, Mayor

STATE OF TEXAS §
COUNTY OF NAVARRO §

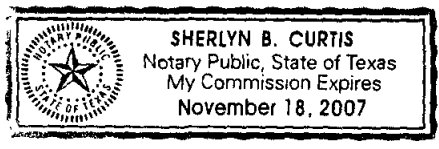
This instrument was acknowledged before me on this 18th day of September, 2007,
by C. L. Brown, Mayor of the City of Corsicana, Texas.



Cathy McMullan
Notary Public, State of Texas

STATE OF TEXAS §
COUNTY OF NAVARRO §

This instrument was acknowledged before me on this 20 day of Sept, 2007,
by H. M. Davenport, Navarro County Judge.



Sherlyn B. Curtis
Notary Public, State of Texas

INTERLOCAL COOPERATION AGREEMENT

This Agreement is made by and entered into between Johnson County, Texas (hereinafter "Contractor") and Navarro County, Texas (hereinafter "County") on the date indicated below.

WHEREAS, County is seeking to provide for the housing and care of certain inmates incarcerated or to be incarcerated in its jail; and

WHEREAS, Contractor currently has the jail capacity and the ability to provide housing and care for such inmates; and

WHEREAS, both parties are political subdivisions of the State of Texas authorized to enter into an Interlocal Cooperation Agreement, for such detention services pursuant to Chapter 791 of the Texas Government Code; and

WHEREAS, the County and the Contractor desire to enter into agreement pursuant to which the Contractor will provide housing and care for certain inmates incarcerated or to be incarcerated in the County's jail;

NOW, THEREFORE, in consideration of the promises, covenants and agreements contained herein, the parties hereto mutually agree as follows:

ARTICLE I

DETENTION SERVICES

1.01 **HOUSING AND CARE OF INMATES:** Contractor agrees to accept, and provide for the secure custody, care and safekeeping of inmates of the County in accordance with state and local law, including the minimum standards promulgated by the Texas Commission on Jail Standards. The Contractor shall provide housing, care, meals, and routine medical services for such inmates on the same basis as it provides for its own inmates confined in its own jail subject to the terms and conditions of the Agreement.

1.02 **MEDICAL SERVICES:** The per day rate under this agreement covers only routine medical services such as on-site sick call (when provided by on-site staff) and non-prescription, over-the-counter/non-legend and routine drugs and medical supplies. The per day rate does not cover medical/health care services provided outside of the Contractor's facility or by other facility staff, prescription drugs and treatments, or surgical, optical and dental care and does not include the costs associated with any hospitalization of an inmate. The County shall pay the Contractor an amount equal to the amount the Contractor is required to expend for medical services other than those routine medical services provided for by the per day rate. When it becomes necessary for an inmate to be hospitalized, the Contractor shall contact the County, through its Sheriff or designated representative, as soon as possible to inform the County of the fact that the inmate has been, or is to be, hospitalized and of the nature of the illness or injury that has required the hospitalization.

The Contractor shall submit invoices for such medical services along with its regular monthly billings for detention services, and such invoices shall be paid on the same terms as the regular monthly billing.

The Contractor has the right to arrange for the hospital or health care provider to bill the County directly for the costs of the hospitalization and/or medical care, rather than the Contractor paying the costs and billing the same to the County. If the hospital or health care provider refuses to bill the County directly, the County shall reimburse the Contractor for such costs within forty-five (45) business days of receipt of an invoice from the Contractor. Said invoice may be delivered personally, by facsimile, by mail or by other reliable courier.

- 1.03 **MEDICAL INFORMATION:** The County shall provide the Contractor with medical information for all inmates sought to be transferred to the Contractor's facility under this agreement, including information regarding any special medication, diet or exercise regimen applicable to each inmate.
- 1.04 **TRANSPORTATION AND OFF-SITE SECURITY:** The County is solely responsible for the transportation of its inmates to and from the Contractor's facility. Ambulance transportation (including emergency flight, etc.) is also not covered by the per day rate and will be billed to County along with the regular monthly billing submitted to the County by the Contractor.

Contractor will provide stationary guard services as requested or required by the circumstances or by law for the inmates admitted or committed to an off-site medical facility. The County shall compensate the Contractor for the actual cost of said guard services to the Contractor, which shall be billed by the Contractor along with the regular monthly billing for detention services.

The County is responsible for the transport of its Inmates from the Contractor's facility to the Texas Department of Criminal Justice, Institutional Division.
- 1.05 **SPECIAL PROGRAMS:** The per day rate set out in this agreement only covers basic custodial care and supervision and does not include any special education, vocational or other programs. The parties may agree by a written amendment to this agreement, or by separate agreement, for the provision of special programs for the consideration and under the terms mutually agreed to by the parties.
- 1.06 **LOCATION AND OPERATION OF FACILITY:** The Contractor shall provide the detention services described herein at the Johnson County Detention Center in Cleburne, Texas, which is operated by the Johnson County Sheriffs Office.
- 1.07 **GUARDING OFF-SITE PRISONERS:** In the event that an inmate must be hospitalized or requires medical services or other services outside the Johnson County Corrections Facility, then Navarro County will compensate Johnson County for the wages and expense of the officer(s) assigned to guard the prisoner. In any circumstance wherein a prisoner must remain in the hospital or medical facility for a period exceeding 12 hours (from the time that the prisoner first arrives at a hospital or medical facility), then Navarro County has the duty to guard the prisoner and Navarro County shall provide all personnel necessary to guard the prisoner. Such prisoner in a hospital or medical facility may be released from Johnson County Corrections to Navarro County at the discretion of the Johnson County Sheriff.

ARTICLE II

FINANCIAL PROVISIONS

- 2.01 **PER DIEM RATE:** The per diem rate for detention services under this agreement is forty-five dollars (\$45.00) per inmate day. This rate covers one inmate per day. Any portion of any day shall count as one full inmate day under this agreement except that the County may not be billed for two days when an inmate is admitted one evening and removed the following morning. In that situation, the Contractor will bill for the day of arrival but not for the day of departure.
- 2.02 **BILLING PROCEDURE:** Contractor shall submit an itemized invoice for the services provided each month to the County. Invoices will be submitted to the officer of the County designated to receive the same on behalf of the County. The County shall make payment to the Contractor within thirty (30) days after receipt of the invoice. Payment shall be in the name of Johnson County, Texas and shall be remitted to:

Johnson County Treasurer
1 North Main Street
Cleburne, Texas 76031

Amounts which are not timely paid in accordance with the above procedure shall bear interest at the lesser of the annual percentage rate of 10% or the maximum legal rate applicable thereto, which shall be a contractual obligation of the County under this agreement. The County further agrees that the Contractor shall be entitled to recover its

reasonable and necessary attorney's fees and cost incurred in collections of amounts due under this agreement.

ARTICLE III

TERMS OF AGREEMENT

- 3.01 **PRIMARY TERM:** The initial term of this agreement is for a period of one (1) year from October 1, 2007 to October 31, 2008. However, subject to the availability of funds, and lacking a notice of termination as provided elsewhere in this agreement, this agreement shall be renewed annually on November 1, 2008 and on each successive anniversary thereafter.
- 3.02 **RENEWALS:** All changes to the terms, conditions and rates with regard to any renewal period shall be as mutually agreed between the parties, and as approved by the Commissioners Court of the respective parties.
- 3.03 **TERMINATION:** This agreement may be terminated upon forty-five (45) days written notice by either party delivered to the officer specified herein by the other party to receive notices. This agreement will likewise terminate upon the happening of an event that renders performance hereunder by the Contractor impracticable or impossible, such as severe damage to or destruction of the facility or actions by governmental or judicial entities which create a legal barrier to the acceptance of any of the County's inmates. Contractor may terminate this agreement with less than 45 days notice at such time as Contractor's facility nears or reaches full capacity.

ARTICLE IV

ACCEPTANCE OF INMATES

- 4.01 **COMPLIANCE WITH LAW AND CONTRACTOR CAPACITY LIMITS:** Nothing herein shall create any obligation upon the Contractor to house the County's inmates where the housing of said inmates will, in the opinion of the Contractor's Sheriff, raise the population of the facility above permissible numbers of inmates allowed by law, or will, in the Sheriff's opinion, create a condition of overcrowding or create conditions which endanger the life and/or welfare of personnel and inmates at the facility, or result in possible violation of the constitutional rights of the inmates housed at the facility. At the time that the Contractor's Sheriff determines that a condition exists at the Contractor's facility necessitating the removal of the County's prisoners, or any specified number thereof, the County shall, upon notice by the Contractor's Sheriff to the Sheriff of the County, immediately (within eight (8) hours) remove said prisoner from the facility.
- 4.011 **HOUSING PRISONERS FOR OTHER ENTITIES:** Notwithstanding any other provision of this Agreement; the parties hereto recognize that Johnson County is actively seeking agreements with other entities, including but not limited to the United States Government. In the event that Johnson County enters into an agreement to house inmates for such other entities at a rate higher than forty-five dollars (\$45.00) per day or on terms otherwise more beneficial to Johnson County, then Johnson county is under no obligation to house inmates from Navarro County whereby housing such Navarro County inmates would preclude Johnson County from entering into an agreement or carrying out the terms of an agreement with the United States Government or another entity. Further, Johnson County may limit the number of prisoners held on behalf of Navarro County to maximize efficiency in operation and utilization of Johnson County facilities and resources.
- 4.02 **ELIGIBILITY FOR INCARCERATION AT FACILITY:** Only inmates of the County who meet all of the following requirements shall be eligible for incarceration in the facility:
 - (a) The inmate must be otherwise eligible for incarceration in the facility in accordance with the state standards under both the Jail Commission approved custody assessment system in place at the County's jail and pursuant to the custody assessment system in place at the Contractor's facility;
 - (b) The inmate must not have any existing major medical problems; and
 - (c) The inmate must not use or need the aid of crutches, walkers or a wheelchair; and
 - (d) The inmate must not be using medication for any mental health condition; and
 - (e) The inmate must not be under the care of the Texas Department for Mental Health and Mental

- Retardation; and
- (f) The inmate must not have tested positive for tuberculosis (TB); and
- (g) The inmate must not have attempted suicide or scored high on suicide screening tests; and
- (h) The inmate must not have committed any act of violence against a detention officer or another inmate; and
- (i) The inmate must not be deemed by Contractor as someone who would be detrimental to the operation of Contractor's facility.
- (j) The inmate must not be a person who in the Contractor's sole opinion and discretion would pose an unusual expense or risk of expense to Contractor,

All inmates proposed by the County to be transferred to the Contractor's facility under this agreement must meet all of the eligibility requirements set forth above. The Contractor reserves the right to review the inmates' classification/eligibility, and the right to refuse to accept any inmate that Contractor does not believe to be properly classified as a non-high risk inmate. Furthermore, if an inmate's eligibility classification changes while incarcerated at the Contractor's facility, the Contractor reserves the right to demand that the County pick up and remove that inmate within eight (8) hours of being notified by Contractor.

- 4.03 **ADDITIONAL RESERVATION OF CONTRACTOR:** Contractor reserves the right for its Sheriff or his designated representative to review the background of all inmates sought to be transferred to the Contractor's facility, and the County shall cooperate with and provide information requested regarding any inmate by the Contractor's Sheriff. The Contractor reserves the right to refuse acceptance of any prisoner of the County. Likewise, if any inmate's behavior, medical or psychological condition, or other circumstances of reasonable concern to the Contractor's Sheriff makes the inmate unacceptable for continued incarceration in Contractor's facility in the opinion of the Contractor's Sheriff, the County will be requested to remove said inmate from the facility, and shall do so immediately (within eight (8) hours) upon the request of the Contractor's Sheriff. Inmates may also be required to be removed from the facility when their classification changes for any purpose, including long-term medical segregation.
- 4.04 **INMATE SENTENCES:** Contractor shall not be in charge or responsible for the computation or processing of Inmates times of confinement, including, but not limited to, computation of good time awards/credits and discharge dates. All such computations and recordkeeping shall continue to be the responsibility of the County. It shall be the responsibility of the County to notify the contractor of any discharge date for an inmate at least ten (10) days before such date. The Contractor will release inmates of the County only when such release is specifically requested in writing by the Sheriff of the County. However, it is agreed that the preferred and usual course of dealing between the parties shall be for the County to pick up and return inmates to the County facility shortly before their discharge date, and for the County to discharge the inmate from its own facility. The County accepts all responsibility for the calculations and determinations set for the above and for giving Contractor notice of same, and to the extent allowed by law, shall indemnify and hold the Contractor harmless for all liability or expenses of any kind arising there from. The County is responsible for all paperwork, arrangements and transportation from inmates to be transferred to the Texas Department of Criminal Justice, Institutional Division.
- 4.05 **OFFENSES COMMITTED WHILE INMATE INCARCERATED IN CONTRACTOR'S FACILITY:** If an inmate commits an offense while incarcerated in Contractor's facility, the charging of the inmate and incarceration of the inmate on such charges, does not relieve Navarro County from its duty to continue paying the costs of incarcerating the inmate as set out in this agreement so long as the inmate is held on charges or for an offense that did not occur in Johnson County.

ARTICLE V

MISCELLANEOUS

- 5.01 **BINDING NATURE OF AGREEMENT:** This agreement is contractual and is binding upon the parties hereto and their successors, assigns, and representatives.
- 5.02 **NOTICE:** All notices, demands, or other writings may be delivered by either party hereto to the other by United States Mail or other reliable courier at the following address:

To Contractor: Johnson County

254

Attn: Roger Harmon, County Judge
1 North Main Street
Cleburne, Texas 76031

To County: **Navarro County**
H. M. Davenport, Jr., County Judge
300 W. 3rd Ave. Suite 102
Corsicana, Tx. 75110

Invoices to Navarro County
Navarro County Auditor
300 W. 3rd Ave. Suite 10
Corsicana, Tx. 75110

The address to which any notice, demand, or other writing may be delivered to any party as above provided may be changed by written notice given by such party as above provided.

- 5.03 **AMENDMENTS:** This agreement shall not be modified or amended except by a written instrument executed by the duly authorized representatives of both parties and approved by commissioners' courts of the respective parties hereto.
- 5.04 **PRIOR AGREEMENTS:** This agreement contains all of the agreements and understandings, either oral or written, of the parties with respect to any matter mentioned herein. No prior agreement or understanding pertaining to any such matter shall be effective.
- 5.05 **CHOICE OF LAW AND VENUE:** The law which governs this agreement is the law of the State of Texas. All consideration to be paid and matters to be performed under this agreement are payable and performable in Cleburne, Johnson County, Texas, and venue of any dispute or matter arising under this agreement shall be in a district court of Johnson County, Texas.
- 5.06 **APPROVALS:** This agreement must be approved by the Commissioners' Court of the County and the Commissioners' Court of the Contractor in accordance with the Interlocal Cooperation Act.
- 5.07 **FUNDING SOURCE:** The County must pay all amounts due under this agreement from current revenues available to it in accordance with the Inter-local Cooperation Act. The signature of the County's Auditor below certifies that there are sufficient funds from current revenues available to the County to meet its obligations under this agreement.

Signature and Execution

CONTRACTOR

JOHNSON COUNTY, TEXAS

By _____

County Judge (As Authorized and Approved by the Johnson County Commissioners' Court by Order Dated _____)

Date Signed: _____

COUNTY

NAVARRO COUNTY, TEXAS

By  _____

County Judge (As Authorized and Approved by the Navarro County Commissioners' Court by Order Dated 10-5-07)

Date Signed: 10-5-07

Johnson County Auditor

Johnson County Sheriff

Date Approved: _____

ATTEST (Judge's Signature):

Johnson County Clerk

²⁵⁵
Lawrence Nolan

Navarro County Auditor

Leslie Cotto

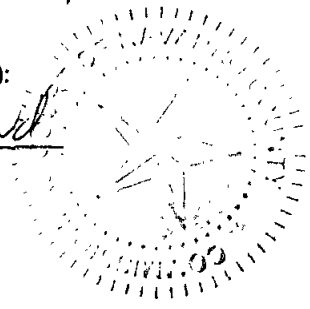
Navarro County Sheriff

Date Approved: 10-5-2007

ATTEST (Judge's Signature):

Sheppard

Navarro County Clerk



COPY

INTERLOCAL COOPERATION AGREEMENT FOR KEEPING OF NAVARRO COUNTY PRISONERS IN THE JOHNSON COUNTY CORRECTIONS FACILITY

This Agreement is made by and entered into between Johnson County, Texas (hereinafter "Contractor") and Navarro County, Texas (hereinafter "County") on the date indicated below.

WHEREAS, County is seeking to provide for the housing and care of certain inmates incarcerated or to be incarcerated in its jail; and

WHEREAS, Contractor currently has the jail capacity and the ability to provide housing and care for such inmates; and

WHEREAS, both parties are political subdivisions of the State of Texas authorized to enter into an Interlocal Cooperation Agreement, for such detention services pursuant to Chapter 791 of the Texas Government Code; and

WHEREAS, the County and the Contractor desire to enter into agreement pursuant to which the Contractor will provide housing and care for certain inmates incarcerated or to be incarcerated in the County's jail;

NOW, THEREFORE, in consideration of the promises, covenants and agreements contained herein, the parties hereto mutually agree as follows:

ARTICLE I

DETENTION SERVICES

1.01 **HOUSING AND CARE OF INMATES:** Contractor agrees to accept, and provide for the secure custody, care and safekeeping of inmates of the County in accordance with state and local law, including the minimum standards promulgated by the Texas Commission on Jail Standards. The Contractor shall provide housing, care, meals, and routine medical services for such inmates on the same basis as it provides for its own inmates confined in its own jail subject to the terms and conditions of the Agreement.

1.02 **MEDICAL SERVICES:** The per day rate under this agreement covers only routine medical services such as on-site sick call (when provided by on-site staff) and non-prescription, over-the-counter/non-legend and routine drugs and medical supplies. The per day rate does not cover medical/health care services provided outside of the Contractor's facility or by other facility staff, prescription drugs and treatments, or surgical, optical and dental care and does not include the costs associated with any hospitalization of an inmate. The County shall pay the Contractor an amount equal to the amount the Contractor is required to expend for medical services other than those routine medical services provided for by the per day rate. When it becomes necessary for an inmate to be hospitalized, the Contractor shall contact the County, through its Sheriff or designated representative, as soon as possible to inform the County of the fact that the inmate has been, or is to be, hospitalized and of the nature of the illness or injury that has required the hospitalization.

The Contractor shall submit invoices for such medical services along with its regular monthly billings for detention services, and such invoices shall be paid on the same terms as the regular monthly billing.

The Contractor has the right to arrange for the hospital or health care provider to bill the County directly for the costs of the hospitalization and/or medical care, rather than the Contractor paying the costs and billing the same to the County. If the hospital or health care provider refuses to bill the County directly, the County shall reimburse the Contractor for such costs within forty-five (45) business days of receipt of an invoice from the Contractor. Said

invoice may be delivered personally, by facsimile, by mail or by other reliable courier.

- 1.03 **MEDICAL INFORMATION:** The County shall provide the Contractor with medical information for all inmates sought to be transferred to the Contractor's facility under this agreement, including information regarding any special medication, diet or exercise regimen applicable to each inmate.
- 1.04 **TRANSPORTATION AND OFF-SITE SECURITY:** The County is solely responsible for the transportation of its inmates to and from the Contractor's facility. Ambulance transportation (including emergency flight, etc.) is also not covered by the per day rate and will be billed to County along with the regular monthly billing submitted to the County by the Contractor.

Contractor will provide stationary guard services as requested or required by the circumstances or by law for the inmates admitted or committed to an off-site medical facility. The County shall compensate the Contractor for the actual cost of said guard services to the Contractor, which shall be billed by the Contractor along with the regular monthly billing for detention services.

The County is responsible for the transport of its Inmates from the Contractor's facility to the Texas Department of Criminal Justice, Institutional Division.

- 1.05 **SPECIAL PROGRAMS:** The per day rate set out in this agreement only covers basic custodial care and supervision and does not include any special education, vocational or other programs. The parties may agree by a written amendment to this agreement, or by separate agreement, for the provision of special programs for the consideration and under the terms mutually agreed to by the parties.
- 1.06 **LOCATION AND OPERATION OF FACILITY:** The Contractor shall provide the detention services described herein at the Johnson County Detention Center in Cleburne, Texas, which is operated by the Johnson County Sheriffs Office.
- 1.07 **GUARDING OFF-SITE PRISONERS:** In the event that an inmate must be hospitalized or requires medical services or other services outside the Johnson County Corrections Facility, then Navarro County will compensate Johnson County for the wages and expense of the officer(s) assigned to guard the prisoner. In any circumstance wherein a prisoner must remain in the hospital or medical facility for a period exceeding 12 hours (from the time that the prisoner first arrives at a hospital or medical facility), then Navarro County has the duty to guard the prisoner and Navarro County shall provide all personnel necessary to guard the prisoner. Such prisoner in a hospital or medical facility may be released from Johnson County Corrections to Navarro County at the discretion of the Johnson County Sheriff.

ARTICLE II

FINANCIAL PROVISIONS

- 2.01 **PER DIEM RATE:** The per diem rate for detention services under this agreement is forty-five dollars (\$45.00) per inmate day. This rate covers one inmate per day. Any portion of any day shall count as one full inmate day under this agreement except that the County may not be billed for two days when an inmate is admitted one evening and removed the following morning. In that situation, the Contractor will bill for the day of arrival but not for the day of departure.
- 2.02 **BILLING PROCEDURE:** Contractor shall submit an itemized invoice for the services provided each month to the County. Invoices will be submitted to the officer of the County designated to receive the same on behalf of the County. The County shall make payment to the Contractor within thirty (30) days after receipt of the invoice. Payment shall be in the name of Johnson County, Texas and shall be remitted to:

Johnson County Treasurer
1 North Main Street
Cleburne, Texas 76031

Amounts which are not timely paid in accordance with the above procedure shall bear interest at the lesser of the

annual percentage rate of 10% or the maximum legal rate applicable thereto, which shall be a contractual obligation of the County under this agreement. The County further agrees that the Contractor shall be entitled to recover its reasonable and necessary attorney's fees and cost incurred in collections of amounts due under this agreement.

ARTICLE III

TERMS OF AGREEMENT

- 3.01 **PRIMARY TERM:** The initial term of this agreement is for a period of one (1) year from October 1, 2007 to October 31, 2008. However, subject to the availability of funds, and lacking a notice of termination as provided elsewhere in this agreement, this agreement shall be renewed annually on November 1, 2008 and on each successive anniversary thereafter.
- 3.02 **RENEWALS:** All changes to the terms, conditions and rates with regard to any renewal period shall be as mutually agreed between the parties, and as approved by the Commissioners Court of the respective parties.
- 3.03 **TERMINATION:** This agreement may be terminated upon forty-five (45) days written notice by either party delivered to the officer specified herein by the other party to receive notices. This agreement will likewise terminate upon the happening of an event that renders performance hereunder by the Contractor impracticable or impossible, such as severe damage to or destruction of the facility or actions by governmental or judicial entities which create a legal barrier to the acceptance of any of the County's inmates. Contractor may terminate this agreement with less than 45 days notice at such time as Contractor's facility nears or reaches full capacity.

ARTICLE IV

ACCEPTANCE OF INMATES

- 4.01 **COMPLIANCE WITH LAW AND CONTRACTOR CAPACITY LIMITS:** Nothing herein shall create any obligation upon the Contractor to house the County's inmates where the housing of said inmates will, in the opinion of the Contractor's Sheriff, raise the population of the facility above permissible numbers of inmates allowed by law, or will, in the Sheriff's opinion, create a condition of overcrowding or create conditions which endanger the life and/or welfare of personnel and inmates at the facility, or result in possible violation of the constitutional rights of the inmates housed at the facility. At the time that the Contractor's Sheriff determines that a condition exists at the Contractor's facility necessitating the removal of the County's prisoners, or any specified number thereof, the County shall, upon notice by the Contractor's Sheriff to the Sheriff of the County, immediately (within eight (8) hours) remove said prisoner from the facility.
- 4.01:1 **HOUSING PRISONERS FOR OTHER ENTITIES:** Notwithstanding any other provision of this Agreement; the parties hereto recognize that Johnson County is actively seeking agreements with other entities, including but not limited to the United States Government. In the event that Johnson County enters into an agreement to house inmates for such other entities at a rate higher than forty-five dollars (\$45.00) per day or on terms otherwise more beneficial to Johnson County, then Johnson county is under no obligation to house inmates from Navarro County whereby housing such Navarro County inmates would preclude Johnson County from entering into an agreement or carrying out the terms of an agreement with the United States Government or another entity. Further, Johnson County may limit the number of prisoners held on behalf of Navarro County to maximize efficiency in operation and utilization of Johnson County facilities and resources.
- 4.02 **ELIGIBILITY FOR INCARCERATION AT FACILITY:** Only inmates of the County who meet all of the following requirements shall be eligible for incarceration in the facility:
 - (a) The inmate must be otherwise eligible for incarceration in the facility in accordance with the state standards under both the Jail Commission approved custody assessment system in place at the County's jail and pursuant to the custody assessment system in place at the Contractor's facility;
 - (b) The inmate must not have any existing major medical problems; and

- (c) The inmate must not use or need the aid of crutches, walkers or a wheelchair; and
- (d) The inmate must not be using medication for any mental health condition; and
- (e) The inmate must not be under the care of the Texas Department for Mental Health and Mental Retardation; and
- (f) The inmate must not have tested positive for tuberculosis (TB); and
- (g) The inmate must not have attempted suicide or scored high on suicide screening tests; and
- (h) The inmate must not have committed any act of violence against a detention officer or another inmate; and
- (i) The inmate must not be deemed by Contractor as someone who would be detrimental to the operation of Contractor's facility.
- (j) The inmate must not be a person who in the Contractor's sole opinion and discretion would pose an unusual expense or risk of expense to Contractor,

All inmates proposed by the County to be transferred to the Contractor's facility under this agreement must meet all of the eligibility requirements set forth above. The Contractor reserves the right to review the inmates' classification/eligibility, and the right to refuse to accept any inmate that Contractor does not believe to be properly classified as a non-high risk inmate. Furthermore, if an inmate's eligibility classification changes while incarcerated at the Contractor's facility, the Contractor reserves the right to demand that the County pick up and remove that inmate within eight (8) hours of being notified by Contractor.

- 4.03 **ADDITIONAL RESERVATION OF CONTRACTOR:** Contractor reserves the right for its Sheriff or his designated representative to review the background of all inmates sought to be transferred to the Contractor's facility, and the County shall cooperate with and provide information requested regarding any inmate by the Contractor's Sheriff. The Contractor reserves the right to refuse acceptance of any prisoner of the County. Likewise, if any inmate's behavior, medical or psychological condition, or other circumstances of reasonable concern to the Contractor's Sheriff makes the inmate unacceptable for continued incarceration in Contractor's facility in the opinion of the Contractor's Sheriff, the County will be requested to remove said inmate from the facility, and shall do so immediately (within eight (8) hours) upon the request of the Contractor's Sheriff. Inmates may also be required to be removed from the facility when their classification changes for any purpose, including long-term medical segregation.
- 4.04 **INMATE SENTENCES:** Contractor shall not be in charge or responsible for the computation or processing of inmates times of confinement, including, but not limited to, computation of good time awards/credits and discharge dates. All such computations and recordkeeping shall continue to be the responsibility of the County. It shall be the responsibility of the County to notify the contractor of any discharge date for an inmate at least ten (10) days before such date. The Contractor will release inmates of the County only when such release is specifically requested in writing by the Sheriff of the County. However, it is agreed that the preferred and usual course of dealing between the parties shall be for the County to pick up and return inmates to the County facility shortly before their discharge date, and for the County to discharge the inmate from its own facility. The County accepts all responsibility for the calculations and determinations set for the above and for giving Contractor notice of same, and to the extent allowed by law, shall indemnify and hold the Contractor harmless for all liability or expenses of any kind arising there from. The County is responsible for all paperwork, arrangements and transportation from inmates to be transferred to the Texas Department of Criminal Justice, Institutional Division.
- 4.05 **OFFENSES COMMITTED WHILE INMATE INCARCERATED IN CONTRACTOR'S FACILITY:** If an inmate commits an offense while incarcerated in Contractor's facility; the charging of the inmate and incarceration of the inmate on such charges, does not relieve Navarro County from its duty to continue paying the costs of incarcerating the inmate as set out in this agreement so long as the inmate is held on charges or for an offense that did not occur in Johnson County.

ARTICLE V

MISCELLANEOUS

- 5.01 **BINDING NATURE OF AGREEMENT:** This agreement is contractual and is binding upon the parties hereto and their successors, assigns, and representatives.
- 5.02 **NOTICE:** All notices, demands, or other writings may be delivered by either party hereto to the other by United States Mail or other reliable courier at the following address:

Johnson County – Navarro County Interlocal Cooperation
Navarro Johnson Jail K Dr1

To Contractor: Johnson County
Attn: Roger Harmon, County Judge
1 North Main Street
Cleburne, Texas 76031

To County: Navarro County
Attn: Sheriff Les Cotton
Navarro County Sheriff's Office
300 West 2nd Avenue
Corsicana, Texas 75110

Invoices to Navarro County Sheriff Les Cotton
Navarro County Sheriff's Office
300 West 2nd Avenue
Corsicana, Texas 75110

The address to which any notice, demand, or other writing may be delivered to any party as above provided may be changed by written notice given by such party as above provided.

- 5.03 **AMENDMENTS:** This agreement shall not be modified or amended except by a written instrument executed by the duly authorized representatives of both parties and approved by commissioners' courts of the respective parties hereto.
- 5.04 **PRIOR AGREEMENTS:** This agreement contains all of the agreements and understandings, either oral or written, of the parties with respect to any matter mentioned herein. No prior agreement or understanding pertaining to any such matter shall be effective.
- 5.05 **CHOICE OF LAW AND VENUE:** The law which governs this agreement is the law of the State of Texas. All consideration to be paid and matters to be performed under this agreement are payable and performable in Cleburne, Johnson County, Texas, and venue of any dispute or matter arising under this agreement shall be in a district court of Johnson County, Texas.
- 5.06 **APPROVALS:** This agreement must be approved by the Commissioners' Court of the County and the Commissioners' Court of the Contractor in accordance with the Interlocal Cooperation Act.
- 5.07 **FUNDING SOURCE:** The County must pay all amounts due under this agreement from current revenues available to it in accordance with the Inter-local Cooperation Act. The signature of the County's Auditor below certifies that there are sufficient funds from current revenues available to the County to meet its obligations under this agreement.

Signature and Execution

CONTRACTOR

JOHNSON COUNTY, TEXAS

By 

County Judge (As Authorized and Approved by the Johnson County Commissioners' Court by Order Dated 10-8-07)

COUNTY

NAVARRO COUNTY, TEXAS

By see attached

County Judge (As Authorized and Approved by the Navarro County Commissioners' Court by Order Dated _____)

Date Signed: 10-8-07

[Signature]
Johnson County Auditor

[Signature]
Johnson County Sheriff

Date Approved: 10-8-07

ATTEST (Judge's Signature):

[Signature]
Johnson County Clerk

Date Signed: _____

see attached
Navarro County Auditor

see attached
Navarro County Sheriff

Date Approved: _____

ATTEST (Judge's Signature):

see attached
Navarro County Clerk



2556

Attn: Roger Harmon, County Judge
1 North Main Street
Cleburne, Texas 76031

To County: **Navarro County**
H. M. Davenport, Jr., County Judge
300 W. 3rd Ave. Suite 102
Corsicana, Tx. 75110

Invoices to Navarro County **Navarro County Auditor**
300 W. 3rd Ave. Suite 10
Corsicana, Tx. 75110

The address to which any notice, demand, or other writing may be delivered to any party as above provided may be changed by written notice given by such party as above provided.

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- 5.04 **PRIOR AGREEMENTS:** This agreement contains all of the agreements and understandings, either oral or written, of the parties with respect to any matter mentioned herein. No prior agreement or understanding pertaining to any such matter shall be effective.
- 5.05 **CHOICE OF LAW AND VENUE:** The law which governs this agreement is the law of the State of Texas. All consideration to be paid and matters to be performed under this agreement are payable and performable in Cleburne, Johnson County, Texas, and venue of any dispute or matter arising under this agreement shall be in a district court of Johnson County, Texas.
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- 5.07 **FUNDING SOURCE:** The County must pay all amounts due under this agreement from current revenues available to it in accordance with the Inter-local Cooperation Act. The signature of the County's Auditor below certifies that there are sufficient funds from current revenues available to the County to meet its obligations under this agreement.

Signature and Execution

CONTRACTOR

JOHNSON COUNTY, TEXAS

By _____

County Judge (As Authorized and Approved by the Johnson County Commissioners' Court by Order Dated _____)

Date Signed: _____

COUNTY

NAVARRO COUNTY, TEXAS

By  _____

County Judge (As Authorized and Approved by the Navarro County Commissioners' Court by Order Dated 10-5-07)

Date Signed: 10-5-07

Johnson County Auditor

[Handwritten Signature]
Johnson County Sheriff

Date Approved: 10-11-07

ATTEST (Judge's Signature):

Johnson County Clerk

[Handwritten Signature]
Navarro County Auditor

[Handwritten Signature]
Navarro County Sheriff

Date Approved: 10-5-2007

ATTEST (Judge's Signature):

[Handwritten Signature]
Navarro County Clerk

**AMENDMENT TO AGREEMENT
BETWEEN LIMESTONE COUNTY AND NAVARRO COUNTY
FOR THE TEMPORARY HOUSING OF INMATES**

WITNESSETH

WHEREAS, Limestone County and Navarro County have mutually agreed and entered into a Temporary Housing Agreement, for Navarro County to temporarily house inmates at Limestone County Detention Center or within Civigenics operated facilities, to ease overcrowding at Navarro County and

WHEREAS, Limestone County, and Navarro County, have mutually agreed that this amendment shall be effective the date of the original contract, and

WHEREAS, Limestone County, and Navarro County, have mutually agreed and accepted the terms of this amendment and;

NOW, THEREFORE, for and in consideration of the premises and the mutual covenants hereinafter contained, and subject to the conditions set forth in the original Agreement as well as this amendment and;

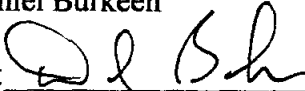
To be amended to read as follows:

"Payment for Services. It is agreed between the parties hereto that the rates of the payment for housing for Navarro County inmates will be \$44.00 as of August 30, 2007."

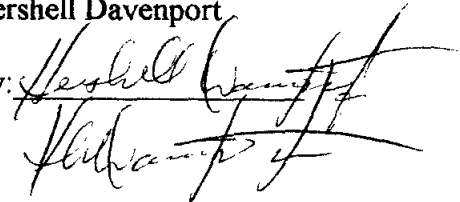
Except as amended hereby, the terms and conditions of the original Agreement shall remain unchanged.

SIGNED this 30 day of August 2007.

Limestone County Judge
Daniel Burkeen

By: 

Navarro County Judge
Hershell Davenport

By: 

**TEXAS ASSOCIATION OF COUNTIES
RISK MANAGEMENT POOL
INTERLOCAL PARTICIPATION AGREEMENT**

This Agreement, entered into by and between the Texas Association of Counties Risk Management Pool (hereinafter called "Pool") and **Navarro County** (hereinafter called "Member") shall be effective as of the last date on which a party to the Agreement signs the Agreement.

RECITALS:

WHEREAS, the Pool is sponsored by the Texas Association of Counties (hereinafter called "TAC"), and the Pool was formed by the entry into a charter interlocal agreement by the Texas Association of Counties Workers Compensation Self-Insurance Fund, the Texas Association of Counties Property & Casualty Self-Insurance Fund and the Texas Association of Counties County Government Risk Management Pool;

WHEREAS, the Pool was created as an interlocal entity organized under Chapter 791, GOVERNMENT CODE, V.T.C.A, to provide self-insurance for all risks, including workers' compensation, property and casualty and liability coverages as authorized by CHAPTER 2259, GOVERNMENT CODE, V.T.C.A, Chapter 504, LABOR CODE, V.T.C.A., Chapter 119, LOCAL GOVERNMENT CODE, V.T.C.A. and other law;

WHEREAS, Member, a local government as defined in Chapter 791 GOVERNMENT CODE and a governmental unit as defined in Chapter 2259 GOVERNMENT CODE, desires to take advantage of the benefits made available through the Pool;

WHEREAS, the Member's governing body has approved this agreement; and

WHEREAS, the parties recognize that the Pool is a Risk Management Pool authorized by statute and the coverage provided is not considered and does not constitute insurance under any Texas law, including the Texas Insurance Code nor under the common law and is not regulated by the Texas Department of Insurance;

NOW, THEREFORE, it is Agreed and Understood among the parties as follows:

SECTION 1. PARTICIPATION

1.01. Agreement to Participate

Member hereby contracts to become a Member of the Pool. **THIS IS NOT A CONTRACT OF INSURANCE** and Member does not and cannot hereby elect to create any contract of insurance. The Pool is not a trust and Member does not intend to create a trust.

1.02. Benefits and Obligations Described in Coverage Documents

Member shall have benefits and obligations as more particularly described in the coverage document(s) which may be provided to Member under the terms and conditions of any particular Pool coverage purchased by Member pursuant to this Agreement. A coverage acceptance form, received by the Pool after completion of the underwriting process, or an application for renewal of existing coverage, followed by issuance of a Declarations Page by the Pool for the coverage, shall evidence the acceptance of the terms and conditions of the coverage purchased. Member's rights under any coverage document are subject to the terms and conditions contained in the coverage document.

1.03. Term of Agreement

The term of this Agreement shall commence on the 1st day of January, 2008, and shall continue in full force and effect for a period of one (1) year. This Agreement shall be automatically renewed annually for an additional one (1) year term without the necessity of any action by the parties other than the acceptance of any amendments to the coverage contract and rates. Either party may elect not to renew this Agreement by giving written notice at least thirty (30) days prior to the end of the original term or any renewal term. In the event some coverage is added during the term of this Agreement, the Agreement shall be automatically extended to coincide with the coverage document period provided for the new coverage, except that the term of the Agreement shall continue in accordance with the term(s) of coverage(s) in effect, should any such new coverage be subsequently terminated.

1.04. Termination Without Cause During the Term of the Agreement

A. Termination of This Agreement

This Agreement may be terminated by either party by giving sixty (60) days prior written notice of intent to terminate the Agreement to the other party. Any notice of intent to terminate must be delivered by deposit in the U. S. Mail, certified, return receipt requested. Termination of this Agreement by either party terminates membership in the Pool and any coverages obtained pursuant to this Agreement.

B. Termination of a Coverage Provided Under This Agreement

Subject to Section 1.06, any coverage provided under this Agreement may be canceled by either party by giving sixty (60) days written notice of intent to cancel the coverage to the other party, unless the terms of the applicable coverage document conflict with this provision, in which case the provision in the coverage document controls.

1.05. Addition or Change of Coverages

Pool coverages may be added to the Member's existing coverage(s) provided pursuant to this Agreement, or the provisions of any coverage may be changed, by agreement in writing of the parties.

1.06. Failure to Maintain Coverage

The failure to maintain at least one coverage through the Pool will result in the automatic and immediate termination of this Agreement.

1.07. Coverage Documents

Any coverage documents used by the Pool shall be approved by the Board of Directors of the Texas Association of Counties Risk Management Pool ("the Board"), or by the Pool Administrator, subject to review by the Board.

SECTION 2. POWER, DUTIES AND ORGANIZATION

2.01. Powers of Pool

The Pool shall have any power necessary to carry out the purpose of this Agreement which may be conferred by Chapter 791, V.T.C.A., GOVERNMENT CODE, by Chapter 2259, GOVERNMENT CODE, V.T.C.A ; by Chapter 504, LABOR CODE, V.T.C.A , by Chapter 119, V.T.C.A., and by any other law empowering the Pool, and by this Agreement and the Bylaws of the Texas Association of Counties Risk Management Pool ("the Bylaws"). The Pool shall have the power to execute interlocal participation agreements following the form of this Agreement with other Members. The Pool shall have the power to employ a Pool Administrator and independent contractors to assist in carrying out this Agreement.

2.02. Member Compliance

By execution of this Agreement, Member agrees to comply with and abide by the Bylaws, applicable Coverage Documents, and the rules and regulations of the Pool, as now in effect and as hereafter amended.

2.03. Incorporation of Bylaws and Bylaws' Amendments

The Bylaws are incorporated by reference and made a part of this Agreement for all purposes as if fully set out herein. Any amendment to the Bylaws adopted by the Board shall become binding on Member immediately upon its adoption unless it is in direct conflict with the rights of Member under this Agreement. Any amendment to the Bylaws which alters the rights of a Member under this Agreement shall be effective on the sixtieth (60th) day after written notice of the

provision has been served on Member, or otherwise as the parties may agree. If Member objects to any change in the Bylaws affecting such rights, Member may appeal the matter to the Board within ten (10) days of receipt of the notice. The proposed change will not apply to the objecting member until resolution of the matter by the Board.

2.04 Execution of New Agreement

The Pool may require Member to execute a new Interlocal Participation Agreement at any time in order for Member to continue participation. Should Member fail to execute and return such an Agreement, the Pool may terminate the Member's participation in the Pool in accordance with the Bylaws.

2.05 Pool Administrator

The Texas Association of Counties (hereinafter referred to as "TAC") or its designee, is the administrator of the Pool.

2.06 Provision of Reinsurance

The Pool may provide for reinsurance at a level to be determined by Board in its sole discretion.

2.07 No Joint and Several Liability

The Member has no joint or several liability other than the maximum annual contribution payable by the Member. The participation of the Member shall at all times be on a nonassessable basis beyond the annual amount of contribution.

2.08 No Guaranty Fund

RMP is a self-insurance pool that does not participate in a guaranty fund, so funding for Member's claims under the coverage documents will come solely from the Pool's resources. If the Pool's resources are insufficient to satisfy a claim, the Member will be responsible for the claim. The Pool shall endeavor to maintain at all times stop loss insurance and reserves sufficient to assure that all incurred, fully-developed losses and expenses for the total Pool can be paid from available Pool resources.

2.09 Dividends, Investments and Use of Surplus

Any surplus shall be invested or distributed in accordance with the Bylaws.

2.10 Pool Arrangement for Annual Audit

The Pool shall be annually audited by a certified public accounting firm retained by the Pool.

SECTION 3. POOL COORDINATOR

3.01. Appointment

Member shall by written instrument appoint a Pool Coordinator. The name of the Pool Coordinator and the address for which notices may be given by the Pool shall be set forth in the space provided at the end of this Agreement. The Pool Coordinator shall promptly provide the Pool with any required information.

3.02. Change of Pool Coordinator

Member may change its Pool Coordinator and/or the address for notice by giving written notice to Pool of such change prior to the effective date of the change.

3.03. Responsibility of Pool Coordinator

Any failure or omission of the Member's Pool Coordinator shall be deemed a failure or omission of Member. The Pool is not required to contact any other individual with respect to Member's business except the named Pool Coordinator unless notice or contact to another individual is required by applicable statute. Any notice given by Pool or its contractor to the Pool Coordinator or such individual as is designated by statute for a particular notice, shall be deemed notice to Member.

SECTION 4. ANNUAL CONTRIBUTION

4.01 Submission of Information

Member shall timely submit to the Pool documentation necessary for the Pool to use to determine the risk to be covered for the next renewal period and to properly underwrite the risk exposure. The Pool will provide forms identifying the information requested.

A Member obtaining Workers' Compensation coverage through the Pool must submit an annual estimated payroll, by payroll classifications of the Member, to the Pool no later than sixty (60) days prior to the first day of the coverage period. At the end of the coverage period, Member must provide the Pool with the actual payroll for the coverage period.

4.02 Failure to Timely Submit Information

If Member fails to timely submit the information required in section 4.01 prior to the renewal date, the Pool may charge a penalty of \$100 for each month or portion thereof that the information is not received. Failure to submit the required information within 30 days of the renewal date or failure to pay any penalty provided for in this section may result in termination of Membership under this Agreement or or cancelation of the applicable coverage.

4.03 Determination of Member' Annual Contribution

(a) The contribution for coverage provided by the Pool to Member shall be determined annually. In the event that charges are adjusted during a coverage year, the adjustment will become effective on the annual renewal date for that coverage.

(b) The contribution for the Member shall be based upon the information provided pursuant to section 4.01 of this Agreement, as well as information obtained from any audit or inspection of operations and property of the Member by the Pool.

For liability and property coverages, Members will be charged an annual flat rate contribution that is not subject to audit and adjustment.

For workers' compensation coverage, Member will be charged an annual estimated contribution based on the estimated payroll provided pursuant to Section 4.01, but the contribution is subject to year-end audit and adjustment. If the Member's actual annual payroll differs from the estimated payroll, the amount of the annual contribution may be adjusted. If, after this adjustment, the actual contribution is more than the estimated contribution paid by the Member, the Pool shall notify Member of the difference and Member shall immediately remit the additional amount to the Pool. If the actual contribution is less than the estimated contribution paid by the Member, the Pool shall refund the excess amount to the Member.

(c) The Pool shall calculate the annual contribution for Member using the appropriate discount and/or surcharge if applicable, as approved by the Board.

(d) The Pool will adopt a rate plan for each line of coverage. For workers' compensation coverage, the Pool shall calculate and furnish each Member its individual experience modifier, when earned, in accordance with the provisions of the applicable experience rating plan as approved by the Board.

4.04 Payment of Contribution Is a Condition of Coverage

Member agrees to pay to the Pool the annual contribution amount determined for Member based upon the Pool's calculation. The parties agree that the annual contribution will be paid from current revenues available to Member. The existence of any coverage provided pursuant to this Agreement is expressly conditioned upon, in addition to any other requirements under this Agreement, full and timely payment of charges for any such coverage by Member. Payment shall be paid from Member's current revenues.

4.06 Billing and Payment of Annual Contribution

The contribution for coverage provided by the Pool to Member shall be determined annually. In the event that charges are adjusted during a coverage year, the adjustment will become effective on the annual renewal date of the coverage document.

The Pool shall bill the annual contribution in advance. Member shall pay the Pool at the address specified in Paragraph 7.07. For liability and property coverages, the annual contribution must be paid in advance in its entirety. For workers' compensation coverage, the annual contribution must be paid in four quarterly payments. For workers' compensation coverage, the Pool will submit quarterly invoices in advance and the Member must pay in advance of the quarter. For all coverages, Member's payment is due upon receipt of invoice and, unless the Pool exercises its right to terminate for non payment as provided in Section 4.07, any payment not received within thirty (30) days of the date of billing shall accrue interest at the rate of 1% per month, or as allowed pursuant to Texas law.

4.07 Termination for Failure to Pay

Notwithstanding any other provision in this Agreement, if any payment or contribution for coverage owed by Member to the Pool is not paid as required by this Agreement, the Pool may cancel such coverage or terminate this Agreement, as the Pool deems appropriate, in accordance with the Bylaws and the applicable coverage document. Member shall remain obligated for such unpaid contribution or charge for the period preceding termination.

4.08 Pool's Right to Audit

The Pool has the right, but no obligation, to audit and inspect Member's operations and property at any time upon reasonable notice and during regular business hours, as the Pool deems necessary to protect the interest of the Pool.

4.09 Charges or Rates in Recognition of High Loss Experience

With respect to any Pool coverage, in the event any Member has a higher loss experience than identified in the underwriting standards relevant to that coverage, the Pool may impose on that Member a different or additional rate structure or charge for coverage than those otherwise generally provided to other Members, as a condition of that Member's participation in the relevant coverage.

4.10 Short Rate for Early Withdrawal

Should the Member withdraw before the end of the annual contract period, Member will be subject to the short rate earned contribution factors.

4.11 Collection of Outstanding Contributions

Should the Member fail to make the required payment hereunder, this Agreement may be canceled by its terms and suit may be brought to collect any outstanding contributions due and payable to the Pool. Alternatively, at the option of the Pool, claims costs normally paid by the Pool, up to the total amount of contribution due, must be paid by Member. If this provision is invoked, notwithstanding any provision to the contrary, the Pool has no liability to pay claims expenses until the Member has paid in claims expenses an amount equal to the amount of the contribution due. It is understood and agreed among the parties that, to the extent allowed by law, venue for any suit brought for the purpose of collecting any contributions due and payable to the Pool shall be in Travis County, Texas, and that this contract was made and all actions under this Agreement are performable in, Austin, Travis County, Texas. The party prevailing in any action brought for the purpose of collecting any outstanding contributions due and payable to the Pool shall be entitled to reasonable attorney's fees, plus court costs. For purposes of this provision, the Pool shall be the prevailing party if it is awarded any relief sought in such preceding.

SECTION 5. CLAIMS

5.01 Claims Submitted

Member shall submit claims to the Pool as set forth in each applicable Coverage Document or as otherwise required by the Pool or state law.

5.02 Member to Cooperate

If the Pool needs assistance from Member or Member's employees regarding a claim, Member will cooperate with the Pool and will provide such assistance.

SECTION 6. SAFETY

6.01 Safety Program

The Member agrees to cooperate in instituting any and all reasonable safety regulations that may be recommended for the purpose of eliminating or minimizing hazards that may contribute to losses. In the event that the Member determines any recommendation submitted by the Pool, or a contractor authorized by the Pool to make such recommendations on behalf of the Pool is unreasonable, the Member has a right to appeal to the Board.

SECTION 7. MISCELLANEOUS

7.01 Amendment

Except as provided in this Agreement and the Bylaws, this Agreement shall not be amended or modified other than in a written agreement signed by both parties.

7.02 Applicable Law

This Agreement is entered into and executed in the State of Texas, and all questions pertaining to its validity or construction shall be determined in accordance with laws of the State of Texas. This agreement is made and performable in Travis County, Texas.

7.03 Suit Against the Pool. The Pool retains its governmental immunity except to the extent it is waived by the Legislature. The parties agree that the following adjudication procedures apply to any legal dispute, and that Member's right to sue the Pool is contingent upon compliance with these procedures: 1) prior to filing suit, Member must comply with all of its obligations under this Agreement and any applicable coverage document; 2) prior to filing suit, Member will participate in good faith in mediation in Travis County, Texas; and 3) any suit against the Pool must be brought in Travis County, Texas.

7.04 Acts of Forbearance

No act of forbearance on the part of either party to enforce any of the provisions of this Agreement shall be construed as a modification of this Agreement nor shall the failure of any party to exercise any right or privilege herein granted be considered as a waiver of such right or privilege.

7.05 Effect of Partial Invalidity

In case any provision of this Agreement is held illegal or invalid for any reason, said illegality or invalidity shall not affect the remaining provisions of this Agreement.

7.06 Headings and Captions

The headings and captions in this Agreement are inserted for the purpose of convenience only and shall not be considered in the construction of any provision.

7.07 Notices and Payments

Any notice required to be given to the Pool shall be deemed properly sent if addressed to:

Texas Association of Counties
Risk Management Pool
P. O. Box 2131
Austin, Texas 78768

and deposited in the United States Mail with proper postage. Payments must be sent to either the above address or to the address specified in the Pool's invoice. The Pool may change its address by giving notice to Member. Any notice required to be given or payment required to be made to Member shall be deemed properly sent if addressed to the Member's Pool Coordinator at the address set forth below. Such person and address may be changed by Member if written notice of such change is given to Pool.

7.08 Counterparts

This Agreement may be executed in counterparts, each of which, when taken separately, shall be deemed an original.

7.09 Right to Enforce

No person or entity not a party to this Agreement may bring suit, as a third-party beneficiary or otherwise, to enforce this Agreement.

7.10 Prior Agreements Superseded

This Agreement constitutes the sole agreement of the parties hereto and supersedes any prior agreements respecting the services to be provided under this Agreement.

EXECUTION

IN WITNESS WHEREOF, we hereunto affix our signatures as of the date indicated below.

TEXAS ASSOCIATION OF COUNTIES
RISK MANAGEMENT POOL

Navarro County
MEMBER

By: Karen Ann Norris
Karen Ann Norris, Executive Director
Texas Association of Counties

By: [Signature]
Co. Judge or Governing Body's Designee

Date: September 14, 2007

Date: September 17, 2007

MEMBER'S POOL COORDINATOR

Name: PAULA J. WELCH
Address: 300 W THIRD AVE SUITE 10
CORSICANA, TX 75110

GovDeals

Sellers Agreement

This Agreement is between GovDeals, Inc. ("GovDeals"), a Delaware corporation having its principal place of business at 5913 Carmichael Place, Montgomery, Alabama, 36117 and Navarro County ("Client"), having its principal place of business at 300 West 3rd Avenue – Suite 102 – Corsicana, Texas 75110.

- 1.0 Description of Services:** GovDeals provides a means for sellers to list items for sale and for potential buyers to bid upon these items via an Internet-based auction system. Although GovDeals may provide software and applications to the Client to make the listing of items easier, GovDeals is not a party to the actual sale and has no control over the listed information or the ability of the buyer and seller to complete the transaction.

- 2.0 GovDeals Responsibilities:** In addition to the operation of an Internet auction server, GovDeals will provide the Client with the following services during the term of the Agreement:
 - 2.1** Access to a web-based application ("GovDeals Auction Server") that will help the Client maintain information about assets and submit them to auction. The GovDeals Auction Server will:
 - 2.1.1** Accept descriptive information concerning an asset;
 - 2.1.2** Allow different auction phases based upon dates and times to be specified;
 - 2.1.3** Permit the assignment of certain buyer restrictions during each auction phase; and
 - 2.1.4** Facilitate requests for credits regarding transactions that were not completed.
 - 2.2** Training and support services to implement the GovDeals service, which will include:
 - 2.2.1** Familiarization with the nature and operation of the GovDeals Auction Server;
 - 2.2.2** Guidance in the initial entry of assets;
 - 2.2.3** Procedures for taking and posting pictures of assets; and
 - 2.2.4** Assistance in the development of an implementation plan and schedule.
 At GovDeals option, training and support services will be provided either on-site or via telephone and the Internet.
 - 2.3** A customer support desk available via telephone or e-mail between the hours of 8:00 a.m. and 6:00 p.m., Eastern Time, Monday through Friday, except announced holidays.
 - 2.4** Marketing of the on-line auction service to promote use of the site by potential buyers.

- 3.0 Client Responsibilities:** To promote a successful operation and increase the benefits from using GovDeals auction capabilities, the Client agrees to:

- 3.1 Provide on-site support and resources required to access the GovDeals Auction Server via the Internet;
 - 3.2 Make sufficient personnel related to surplus property disposal available for training, implementation, and initial data entry;
 - 3.3 To the extent permitted by law, cooperate with marketing campaigns, including providing a mailing list of prior auction customers, if available; and
 - 3.4 Utilize GovDeals Auction Server and on-line auction capabilities during the term of this Agreement by:
 - 3.4.1 Listing assets for sale on the GovDeals auction service;
 - 3.4.2 Completing sales transactions for assets sold via this service;
 - 3.4.3 Not selling through some other means any item for which it has received a winning bid via GovDeals for the specific purpose of avoiding the GovDeals fee; and
 - 3.4.4 Not engaging, directly or indirectly, in any activities intended to manipulate or interfere with the bidding process.
- 4.0 **Fees:** For any item that is sold as a result of posting it to the GovDeals web site, the following fees apply:
- 4.1 Where a single auction item does not yield greater than \$100,000 in a winning bid, Client agrees to pay GovDeals a fee of seven and one-half percent (7.5%) of the winning bid, but not less than \$5.00.
 - 4.2 Where a single auction item yields greater than \$100,000, but does not yield greater than \$500,000 in a winning bid, Client agrees to pay GovDeals a fee of seven and one-half percent (7.5%) of the winning bid up to \$100,000 plus five and one-half percent (5.5%) of the winning bid that is in excess of \$100,000 up to \$500,000.
 - 4.3 Where a single auction item yields greater than \$500,000 in a winning bid, Client agrees to pay GovDeals a fee of seven and one-half percent (7.5) of \$100,000 of the winning bid, plus a fee of five and one-half percent (5.5%) of \$400,000 of the winning bid, plus a fee of three and one-half percent (3.5%) of the amount in excess of \$500,000 of the winning bid.
 - 4.4 On occasion, and apart from initial training, Clients request GovDeals to supply on-site assistance to quickly move large amounts of items that have accumulated over a period of time. For this service, and upon mutual agreement between GovDeals and the client, an additional fee will be charged over and above the normal fee schedule shown in 4.1, 4.2 and 4.3 above. For this mutually agreed upon additional fee, GovDeals will go to the Client's site and record asset descriptions, take pictures, load assets to the auction site, and set auction dates. Assets must be arranged in such a manner as to allow GovDeals personnel access to the assets for recording descriptions and taking pictures. If assets are not arranged in the proper manner, Client will provide personnel to assist the GovDeals representatives in arranging the assets for proper presentation. In order to exercise this option, Client must request and agree to the additional fee in writing. This fee does not apply to assets used in the initial training and will not apply when the Client processes its own assets.

5.0 **Payment:**

- 5.1 GovDeals will invoice Client for fees on a periodic basis. Client agrees to remit payment to GovDeals within thirty (30) calendar days, unless an applicable prompt payment act or similar legislation specifies a different time period.
- 5.2 Client shall promptly, but not more than sixty (60) calendar days after the sale date, notify GovDeals of any transaction that was not consummated. The fees for said transaction shall be credited to the Client during the next invoice period.
- 6.0 **Term of Agreement:** This Agreement shall commence on the date it is signed by the second party to do so and will continue for a period of twelve months unless otherwise terminated upon sixty days written notice by either party. This Agreement shall be automatically extended for additional one-year periods, unless either party notifies the other in writing of its intent not to renew at least sixty days prior to the anniversary date. Either party may request a re-negotiation of the terms hereof during a period sixty days prior to the anniversary date of this Agreement. Any charges owed either party prior to terminating the agreement will remain payable
- 7.0 **Right to Sell and Content:** Client will only post items to the GovDeals auction site that the Client has the legal right to sell or dispose of to qualified buyers. Any information posted will be accurate to the best of Client's ability and not contain anything of a pornographic or objectionable nature. Client agrees to only use links to digital pictures of associated assets as provided for in the GovDeals software, and will not create links to any other site, text or other information without the written consent of GovDeals.
- 8.0 **Online Sales - Terms and Conditions:** Attached hereto are model Online Sales – Terms and Conditions for use by client. At any time during the term of this Agreement, Client may modify the Terms and Conditions. Said substitution modification must be submitted to GovDeals in writing for posting to the GovDeals auction site. The Terms and Conditions posted to the GovDeals auction site shall not modify, amend or affect the provisions of this Agreement
- 9.0 **Information and Security:**
- 9.1 Client agrees that GovDeals is not responsible for the accuracy of information provided to it by seller(s) and/or buyer(s). GovDeals will use reasonable efforts to protect information that is on its web site from inappropriate use and loss.
- 9.2 Client grants GovDeals a non-exclusive, non-transferable, irrevocable, and royalty-free right to exercise any copyright or publicity rights Client may have in the information it posts to the GovDeals server(s). GovDeals agrees to use this information only for its intended purpose in support of this Agreement.
- 10.0 **Interference:** Client will not use any programs, routines, or applications in connection with GovDeals that will interfere with the operation of the software or site. Specifically, the Client will only communicate with the GovDeals Auction Server by using software and applications that GovDeals provides or specifically approves in writing.

11.0 Proprietary Intellectual Property Exclusivity and Confidentiality: The proprietary Internet-based auction system, environment, and components (collectively, the "System") provided by GovDeals under this Agreement are, and will remain, the exclusive property of GovDeals. GovDeals retains and reserves all rights to the proprietary intellectual property, including, but not limited to, all copyrights and trademarks of and to the System. GovDeals is providing the Client hereunder with a license for said System solely for its own use.

Client may not subcontract, sell, lease, transfer, assign or otherwise share said System with any third party. Client acknowledges that the System constitutes the proprietary and confidential property of GovDeals and agrees not to directly or indirectly use, employ, divulge, disclose, transfer, or communicate to any person, firm, corporation or other entity, in any manner whatsoever, any of the System or documentation/information provided by GovDeals. In the event of termination of this Agreement, Client shall promptly return to GovDeals or at the option of GovDeals destroy, all documentation/information regarding the System.

12.0 Warranty Disclaimer: GovDeals does not warrant error-free or uninterrupted use of the GovDeals service. The GovDeals web sites, services, software and applications are provided without warranty, express or implied, including, but not limited to, any implied warranties for merchantability or fitness for a particular purpose. GovDeals, its directors, officers, employees, agents and/or affiliates shall not be liable for any loss of profit and/or any direct, indirect, special, incidental or consequential damages resulting from the services offered herein.

13.0 Governance: This Agreement will be governed, interpreted, construed and enforced in accordance with the laws of the State of Texas.

14.0 Counterparts: This Agreement may be executed in two or more counterparts, each of which after execution and delivery shall be deemed an original, but all of which shall constitute one and the same instrument.

15.0 Non-Exclusive Engagement: This Agreement is not exclusive. The Client may utilize other disposal approaches, including traditional auctioneer services and sealed bids in addition to GovDeals services. However, it is understood and agreed that the Client will not simultaneously utilize other disposal approaches and GovDeals for a particular asset while that asset is listed on a GovDeals auction.

16.0 Entire Agreement: This Agreement represents the entire understanding between the parties with respect to its subject matter.

17.0 Promotional Reimbursement: Client acknowledges that GovDeals will pay Texas Association of School Boards, Inc. (TASB) a promotional reimbursement for each sale made through GovDeals.

18.0 No bidding by GovDeals or TASB: Neither GovDeals nor TASB will bid on items listed on the GovDeals website.

THE ABOVE AGREEMENT IS ACCEPTED AND AGREED TO.

GovDeals:

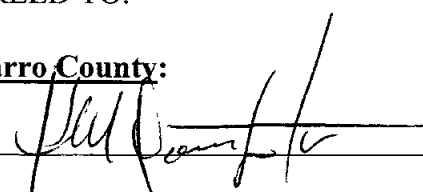
By: _____

Name: Robert L. DeBardelaben

Title: President

Date: _____

Navarro County:

By:  _____

Name: H. M. Davenport

Title: County Judge

Date: 10-5-2007

Primary Contact Person:

(Contract development)

Name: James Oakley

Title: Sales Representative Texas Region

Telephone Number: (512) 560-6240

Fax Number: (334) 277-0557

e-mail: joakley@govdeals.com

Primary Contact Person:

Name: Paula Welch

Title: County Auditor

Telephone Number: (903) 654-3095

Fax Number: (903) 654-3097

e-mail: pwelch@navarro.org

Primary Contact Person:

(Contract implementation)

Name: Tom Clark

Title: Vice President, Client Services

Telephone Number: (800) 613-0156

Fax Number: (615) 846-1154

e-mail: tclark@govdeals.com

Sellers Agreement Mailing Address and Contact :

Name: Elizabeth Alford

Title: Sales Support Assistant

5913 Carmichael Place

Montgomery, AL 36117

Telephone Number: (334) 387-0516

Fax Number: (334) 277-0557

e-mail: ealford@govdeals.com

GovDeals
Sellers Agreement
Online Sales – Terms and Conditions

Navarro County
Corsicana, Texas

Online Sales – Terms and Conditions

All bidders and other participants of this auction agree that they have read and fully understand these terms and agree to be bound thereby.

Guaranty Waiver. All property is offered for sale “**AS IS, WHERE IS.**” **Navarro County (Seller)** makes no warranty, guaranty or representation of any kind, expressed or implied, as to the merchantability or fitness for any purpose of the property offered for sale. The Buyer is not entitled to any payment for loss of profit or any other money damages – special, direct, indirect, or consequential.

Description Warranty. **Seller** warrants to the Buyer that the property offered for sale will conform to its description. Any claim for misdescription must be made prior to removal of the property. If **Seller** confirms that the property does not conform to the description, **Seller** will keep the property and refund any money paid. The liability of **Navarro County** shall not exceed the actual purchase price of the property. Please note that upon removal of the property, **all sales are final.**

Personal and property risk. Persons attending during exhibition, sale or removal of goods assume all risks of damage of or loss to person and property and specifically release the seller and **GovDeals** from liability therefore.

Inspection. Most items offered for sale are used and may contain defects not immediately detectable. Bidders may inspect the property prior to bidding. Bidders must adhere to the inspection dates and times indicated in the item description. Please contact **Paula Welch**, County Auditor, (903) 654-3095 office – (903) 654-3097 fax or e-mail: pwelch@navarro.org to schedule an inspection.

Consideration of Bid. **Navarro County** reserves the right to reject any and all bids and to withdraw from sale any of the items listed.

Buyer’s Certificate. Successful bidders will receive a Buyer’s Certificate by email from **GovDeals.**

Payment. Payment in full is due not later than **5 business days** from the time and date of the Buyer’s Certificate. Acceptable forms of payment are:

- U. S. Currency
- Certified Cashiers Check

- Money Order
- Company Check (with Bank Letter guaranteeing funds – **mandatory**)

Checks shall be made payable to: **Navarro County**. Payments shall be made at the location listed in the Buyer's Certificate.

Escrow Payment. When the purchase price (of a single item or the aggregate purchase price of multiple items) totals \$5,000 or greater, the Seller may require a down payment from the winning Buyer. This non-refundable fee will be 20% of the total purchase price. When the Seller exercises this option, the Buyer will have 48-hours from the time of issuance of the Buyers Certificate, to comply with this requirement. If Buyer fails to comply with this requirement within the stated time frame, the Seller can declare Buyer in default, bar them from further bidding and have them removed from the GovDeals system. If Buyer is in default, Seller may negotiate with next closest bidder, re-list at another auction and/or pursue all legal proceedings. All monies collected in escrow, will be deducted from total monies due at time of final payment.

Removal. All items must be removed within **10 business days** from the time and date of issuance of the Buyer's Certificate. Purchases will be released only upon receipt of payment as specified. Successful bidders are responsible for loading and removal and any and all property awarded to them from the place where the property is located as indicated on the website and in the Buyer's Certificate. The Buyer will make all arrangements and perform all work necessary, including packing, loading and transportation of the property. Under no circumstances will **Navarro County** assume responsibility for packing, loading or shipping. Property may be removed between the hours of **9:00a.m. and 3:00p.m., Monday through Friday**, excluding legal holidays. For additional information, please contact **Paula Welch**, County Auditor, **(903) 654-3095** office – **(903) 654-3097** fax or e-mail: pwelch@navarro.org to schedule an inspection. A daily storage fee of \$10.00 may be charged for any item not removed within the 10 business days allowed and stated on the Buyer's Certificate.

Vehicle Titles. Seller will issue a title or certificate upon receipt of payment. Titles may be subject to any restrictions as indicated in the item description on the website. Open titles cannot be issued. **Navarro County** will not issue replacement titles.

Default. Default shall include (1) failure to observe these terms and conditions; (2) failure to make good and timely payment; or (3) failure to remove all items within the specified time. Default may result in termination of the contract and suspension from participation in all future sales until the default has been cured. If the Buyer fails in the performance of their obligations, **Seller** may exercise such rights and may pursue such remedies as are provided by law. Seller reserves the right to reclaim and resell all items not removed by Buyer thirty (30) days from the expiration of specified removal date.

Acceptance of Terms and Conditions. By submitting a bid, the bidder agrees that they have read, fully understand and accept these Terms and Conditions of Online Sales, and agree to pay for and remove the property, if the bid is accepted, by the dates and times specified. These Terms and Conditions are displayed at the top of each page of each item listed on **GovDeals**.

State/Local Sales and/or Use Tax. Buyers may be subject to payment of State and/or local sales and/or use tax. Buyers are responsible for contacting the appropriate tax office, completing any forms, and paying any taxes that may be imposed.

Sales to Employees. Employees of the **Navarro County** may bid on the property listed for auction, so long as they do NOT bid while on duty.

System Agreement

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This System Agreement ("Agreement"), effective as of the 31st day of August, 2007, is made by and between

A. Verizon Entity Name ("Verizon"): Verizon Business Financial Management Corporation on behalf of Verizon Select Service Inc.	B. Customer Name ("Customer") Navarro County
Address: 500 E. Carpenter Freeway	Address: 300 West Third Avenue – Ste 102
City: Irving State: Texas Zip Code: 75062	City: Corsicana, State: Texas Zip Code: 75110
Contact Name and Phone Number: Cathy Larson - 972-719-3123	Customer Billing Address (if different): Same
Quote Number (if applicable) <u>8-30FIXH,8-30FJRR</u>	City: State: Zip Code:
	Contact Name and Phone Number: Terri Gillen - (903) 875-3306

<p>C. Select all applicable options:</p> <p><input type="checkbox"/> New System/Service Sale <input type="checkbox"/> Adds/Upgrade to Existing System <input type="checkbox"/> Installation Services</p> <p>VERIZON MAINTENANCE SERVICES</p> <p><input type="checkbox"/> Data Maintenance Next Business Day Remote <input type="checkbox"/> Data Maintenance 4-Hour Remote <input type="checkbox"/> Data Maintenance 4-Hour On-Site <input type="checkbox"/> Data Maintenance 8-Hour On-Site <input type="checkbox"/> Video Central Support Next Business Day On-Site <input type="checkbox"/> Video Central Support Next Business Day Remote <input type="checkbox"/> Connectivity Assurance <input type="checkbox"/> IP Phones Next Business Day <input type="checkbox"/> IP Telephony Application Server Platform 4-Hour Remote <input type="checkbox"/> IP Telephony Application Server Platform 4-Hour On-Site <input type="checkbox"/> IP Telephony Application Server Platform 8-Hour On-Site <input type="checkbox"/> IP Telephony Software Support <input type="checkbox"/> IP Telephony Software Support with Upgrades <input type="checkbox"/> Integrated Maintenance Software Support <input type="checkbox"/> Integrated Maintenance Software Support with Upgrades <input type="checkbox"/> Integrated Maintenance 8x5x4 Advance Replacement <input type="checkbox"/> Integrated Maintenance 8x5x4 On-Site Support <input type="checkbox"/> Integrated Maintenance 8x5 Next Business Day Advance Replacement <input type="checkbox"/> Integrated Maintenance 8x5 Next Business Day On-Site Support</p>	<p>Verizon Maintenance Services Cont'd.</p> <p><input type="checkbox"/> Integrated Maintenance 24x7x2 Advance Replacement <input type="checkbox"/> Integrated Maintenance 24x7x4 Advance Replacement <input type="checkbox"/> Integrated Maintenance 24x7x2 On-Site Support <input type="checkbox"/> Integrated Maintenance 24x7x4 On-Site Support <input checked="" type="checkbox"/> 8x5 Switch & Phones <input type="checkbox"/> 8x5 Switch & Proprietary Phones <input type="checkbox"/> 8x5 Switch Only <input type="checkbox"/> 8x5 Ancillary/Auxiliary Equipment <input type="checkbox"/> 8x5 Nortel Norstar <input type="checkbox"/> 8x5 NEC Electra Elite <input type="checkbox"/> 8x5 Business Communication Manager <input type="checkbox"/> 8x5 Centrex CPE <input type="checkbox"/> 24x7 Switch & Proprietary Phones <input type="checkbox"/> 24x7 Switch Only <input type="checkbox"/> 24x7 Ancillary/Auxiliary Equipment <input type="checkbox"/> 24x7 Nortel Norstar <input type="checkbox"/> 24x7 NEC Electra Elite <input type="checkbox"/> 24x7 Business Communication Manager <input type="checkbox"/> 24x7 Voice Service Plus <input type="checkbox"/> 24x7 Centrex CPE <input type="checkbox"/> Software Release Subscription (SRS) <input type="checkbox"/> On-Site Technician <input type="checkbox"/> Supplemental Warranty Coverage (extends the standard warranty to 24 hour coverage for major failures during the warranty period) <input type="checkbox"/> Other</p>
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System Agreement

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Verizon Maintenance Services Cont'd.

Third Party Maintenance Services - Maintenance will be provided in accordance with the vendor's terms and conditions and except for payment, warranty, and limitation of liability, the terms and conditions of the Agreement shall not apply to such maintenance services.

- Nortel Extended Service
- Cisco SmartNet
- Other:

D. Payment Options:

- Cash Purchase
- Lease/Financing
 - Verizon Credit Inc.
 - Third Party Lease/Financing _____ (must have prior written approval of Verizon)
- E-Rate/USF Funding Application No. _____
- Tax Exempt No. _____

E. The total price of the System and/or services being purchased by the Customer is:

System Price	\$ <u>\$18,009.60</u>
Professional Services Price	\$ _____
Security Solutions Services Price	\$ _____
Maintenance Service	
Voice Maintenance Service for _____ Year(s)	\$ _____
Managed Network Solutions Service for _____ Year(s)	\$ _____
Third Party Maintenance Service for _____ Year(s)	\$ _____
Supplemental Warranty Coverage	\$ _____
Applicable taxes (estimated)	\$ _____
TOTAL PRICE	\$ <u>\$18,009.60</u>
Down Payment	\$ _____
Balance Due	\$ <u>\$18,009.60</u>

Customer Initials



F. Maintenance Service Billing Option:

Pre-paid Billing: _____ years \$_____

(Annual Rate)

Deferred Billing (deferred until warranty expiration):

_____ years

\$_____ (Year 1)

\$_____ (Year2)

\$_____ (Year 3)

\$_____ (Year 4)

\$_____ (Year 5)

Bill deferred payment (check one): annually semi-annually quarterly monthly

G. Attachments

- Addendum for Equipment/Services Subject to E-Rate Funding
- Call Center Software, Support and Professional Services Exhibit
- Equipment Sales and Installation Exhibit
- Managed Network Solutions Exhibit
- Professional Services Exhibit
- Quote
- Service Plan Description(s)
- Statement of Work
- Voice Maintenance Exhibit

THE TERMS AND CONDITIONS OF THIS AGREEMENT CONTINUE ON THE FOLLOWING PAGES

Customer Initials



1. Scope of Agreement. Subject to the terms and conditions of this Agreement, Verizon will provide Customer, either directly or in conjunction with such subcontractors as it may select, the equipment, software, installation services, maintenance and/or professional services (hereinafter collectively the "System") as described in this Agreement and as further described in a Statement of Work and any Exhibit attached hereto.

1.1 For Equipment Sale and Installation Services: Verizon will provide and, if applicable, install the equipment as set forth in the applicable quote and the Equipment and Installation Services Exhibit.

1.2 For Maintenance Services: Verizon will provide the maintenance services as set forth in the applicable quote and the Call Center Software, Support and Professional Services Exhibit, the Maintenance Services Exhibit and/or the Managed Network Solutions Exhibit.

1.3 For Professional Services: Verizon will provide the professional services as set forth in the applicable quote and the Professional Services Exhibit.

All applicable Statements of Work and Exhibits attached hereto are incorporated herein and made a part of this Agreement.

2. Fees and Payment.

2.1 Customer will pay all fees for the System as set forth on Pages 2 and 3 of this Agreement and the applicable quote or Statement of Work, subject to additions and deductions made by written Change Order(s). Customer is responsible for applicable taxes, shipping, handling, telecommunication surcharges and other charges applicable to the equipment and/or services provided under this Agreement. Customer agrees either to pay to Verizon the amount of all applicable taxes (as determined by tax authorities) or to provide upon execution of this Agreement evidence of exemption acceptable to Verizon.

2.2 Payments are due within thirty (30) days of receipt of the invoice ("Due Date") and any payment not received by the Due Date shall be subject to a late payment charge of the lesser of one and one-half percent (1.5%) per month and the maximum amount allowed by law. Late payment charges will be assessed monthly against the amount due. Should Customer dispute an amount invoiced, Customer shall pay the undisputed portion of that invoice and promptly notify Verizon in writing of the amount and nature of the dispute and the parties shall cooperate to resolve the dispute pursuant to Section 15 of this Agreement. Verizon reserves the right to suspend or terminate any or all Services or terminate the provision, installation or repair of any or all equipment subject to this Agreement immediately if Customer is more than sixty (60) days overdue for payments that have not been disputed in good faith.

2.3 The down payment listed on Page 2 of this Agreement shall be paid at execution of this Agreement. The balance due shall be paid in accordance with the terms of this Section unless otherwise specified in a Statement of Work.

3. Term and Termination. This Agreement shall be effective as of the date first set forth above and shall continue in full force and effect until terminated in accordance with this Agreement.

3.1. Either party may, upon written notice, immediately suspend its performance of and/or terminate the affected service or equipment order to which the deficiency pertains in the event the other party (i) fails to perform material terms of this Agreement and (a) such failure is not cured within thirty (30) calendar days following receipt of a default notice in writing from the other party, or (b) if such failure cannot reasonably be cured during that time and the defaulting party fails to use commercially reasonable efforts to cure such breach as soon as practicable, but in any event within ninety (90) calendar days following written notice; (ii) engages in fraud, criminal conduct or willful misconduct in connection with the business relationship of the parties; or (iii) becomes insolvent, ceases doing business in the ordinary course, enters bankruptcy proceedings or effects an assignment for the benefit of creditors. In the event Verizon terminates this Agreement pursuant to this Section 3.1, Customer shall promptly pay Verizon for the System and any services provided up to the date of termination. In the event Customer defaults under this Agreement, Customer's down payment shall be non-refundable.



3.2. Either party may terminate this Agreement or a Statement of Work for convenience, in whole or in part, upon thirty (30) days prior written notice to the other party. If this Agreement or a Statement of Work is terminated by Customer pursuant to this Section, or if an order under this Agreement is cancelled by Customer, Verizon shall have no further responsibility under this Agreement, Statement of Work or such order, as applicable, and Customer shall promptly pay Verizon:

- 3.2.1. for all equipment and services provided up to the date of termination or cancellation, as applicable;
- 3.2.2. for all expenses incurred up to the date of termination or cancellation, as applicable, including but not limited to the costs of terminating purchase orders, return of equipment and/or software, removal of equipment and/or software and other contractual obligations made by Verizon to meet its obligations under this Agreement or Statement of Work, plus a restocking fee of twenty-five percent (25%) of the cost of any equipment cancelled or returned.

3.3. Where multiple Statements of Work are associated with this Agreement, the termination of one or fewer than all of the Statements of Work shall only affect the terminated Statement(s) of Work. The remaining Statement(s) of Work shall remain in effect.

3.4. Verizon reserves the right to suspend performance under this Agreement or a Statement of Work if required, in Verizon's sole discretion, by regulation, statute, judicial action or other applicable legal requirement.

3.5 Verizon reserves the right to amend the rates, terms and conditions of Service under this Agreement to be effective upon the commencement of any renewal term and without formal amendment of this Agreement by providing Customer written notice thereof prior to the expiration of the then-current term. If Customer is unwilling to accept such amended rates, terms and conditions, Customer shall provide Verizon written notice thereof prior to the expiration of the then-current term, in which event the Service shall terminate upon expiration of the then-current term.

3.6 Termination of this Agreement shall not relieve either party of its respective obligations to comply with all terms of this Agreement that expressly call for performance prior or subsequent to the termination date, including without limitation the parties' respective obligations to protect proprietary and confidential information.

4. Purchase Order. The parties acknowledge that a Customer purchase order or similar document is intended solely to evidence Customer's intention to purchase equipment, software and/or services set forth therein. Except with respect to a provision in a Customer purchase order or similar document evidencing an intent to be bound by the terms and conditions of an Agreement between Customer and Verizon, the terms and conditions of such Customer purchase order or similar document shall be disregarded and of no force or effect, it being agreed that the terms and conditions of the Agreement between Customer and Verizon shall govern.

5. Leasing Option. With Verizon's prior written consent Customer may finance the System or any portion thereof in a separate transaction through a third party leasing company ("Lessor") approved by Verizon, assign its rights and obligations with respect to payment under this Agreement to the Lessor, and/or cause the Lessor to issue a purchase order in a form acceptable to Verizon. Notwithstanding such transaction and/or assignment, Customer shall remain responsible for performance of all of its obligations under this Agreement, including payment in full.

6. Risk of Loss. If Verizon installs the System, risk of loss or damage to the System passes to Customer on delivery of the System (including portions thereof) to Customer's site. If Verizon does not install the System, risk of loss or damage to the System (or portions thereof) passes to Customer upon delivery to the carrier.

7. Title and Security Interest. Until full payment has been rendered, Customer grants Verizon a purchase money security interest in the System, and agrees to execute all documents necessary to perfect that interest and, to the extent permitted by law, grants Verizon a special power-of-attorney for the purpose of executing the necessary documents. Upon final payment, title shall pass to Customer and Verizon will release its security interest. Customer will not grant or convey to any other person or entity a security interest in, or permit placement of a lien on, the System unless and until Customer has paid Verizon in full for such System.

8. Software. Software provided in conjunction with the System is licensed to Customer under the license provided by the software publisher or by the equipment manufacturer with which the software is provided.



Customer shall, if required, execute a separate software license agreement in a form satisfactory to the software publisher or equipment manufacturer.

9. Customer Responsibilities. Customer will:

- 9.1. Allow Verizon access for installation, inspection, testing, maintenance and repair of the System and performance of any required activity.
- 9.2. Provide suitable building facilities for the System in accordance with local codes, including but not limited to ducting, conduit, structural borings, etc. for cable and conductors in floors, ceilings and walls; electrical service with suitable terminals and power surge protection devices; and metallic grounds with sufficient slack in the equipment room, installed in conformity with the National Electrical Code and local codes.
- 9.3. Provide necessary heating, cooling, humidity and dust control as required by manufacturer specifications.
- 9.4. Remove existing equipment or cable that interferes with System installation.
- 9.5. Identify and disclose to Verizon concealed equipment, wiring or conditions that might be affected by or might affect the installation of the System. Customer shall defend and hold Verizon harmless from any claim, damage or liability resulting from a failure to disclose this information.
- 9.6. Authorize Verizon, at Customer's expense, to make service requests upon third parties for System interconnection requirements, including obtaining telephone service for testing where necessary.
- 9.7. Designate trash deposit points on each floor on which the System is to be installed where Verizon will place waste for removal by Customer.
- 9.8. Cooperate with Verizon's requests for assistance in testing or installation.
- 9.9. Be responsible for providing adequate back-up of data and for restoring data to repaired equipment.
- 9.10. If the System is to be connected to the public network, be solely responsible for selection, implementation and maintenance of security features for defense against unauthorized long distance calling, and for payment of long distance, toll and other telecommunications charges incurred through use of the System.
- 9.11. Immediately notify Verizon of any anticipated delay in building availability or inability to meet any of the above listed requirements.

10. Changes In/Additions to System.

10.1 Customer may order additional equipment, software, and/or services pursuant to a written Amendment, Customer purchase order or similar document, and such order shall be governed by this Agreement, including without limitation Section 4, and shall specifically reference this Agreement.

10.2 Customer shall also have the right, by written notice, to propose changes in the System under this Agreement and any Statement of Work ("Change Orders") and Verizon shall comply to the extent it deems feasible and reasonable. If Verizon determines that such changes cause an increase or decrease in the cost of or time required for performance, Verizon shall advise Customer and such adjustments shall be reflected in a written Change Order. Should Verizon encounter, in installing the System, any concealed or unknown condition not expressly set forth in the applicable Statement of Work, which condition affects the price or schedule for installation of the System, the price and/or the schedule shall be equitably adjusted by Change Order to cover all costs, including but not limited to labor, equipment, materials and tools necessary to carry out the change.

10.3 No Change Order shall become effective as a part of this Agreement and the applicable Statement of Work, and no changes in the System shall be initiated, until the Change Order is mutually agreed upon in writing. Verizon shall not be obligated to consider or accept any Change Order that results in a decrease of more than twenty percent (20%) in the total price of the System. Verizon may also propose changes in or additions to the System, and may proceed with such changes upon execution by Customer and Verizon of a written Change Order.

11. Warranty. Verizon warrants that it will perform the services provided under this Agreement in a good and workmanlike manner. Unless otherwise set forth in an Exhibit, all manufacturers'/publishers' warranties for equipment and/or software provided hereunder are passed through to Customer and warranty claims shall be presented by Customer directly to the manufacturer/publisher.

THE WARRANTIES SET FORTH IN THIS AGREEMENT ARE IN LIEU OF ALL OTHER WARRANTIES FROM VERIZON, UNLESS OTHERWISE STATED IN AN EXHIBIT. OTHERWISE VERIZON DISCLAIMS ALL WARRANTIES, EXPRESS OR IMPLIED, INCLUDING BUT NOT LIMITED TO IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE, ANY



WARRANTY OF NON-INFRINGEMENT AND ANY WARRANTIES ARISING FROM A COURSE OF DEALING, USAGE OR TRADE PRACTICE. VERIZON SHALL NOT BE LIABLE FOR UNAUTHORIZED ACCESS TO VERIZON'S OR CUSTOMER'S TRANSMISSION FACILITIES OR PREMISES EQUIPMENT OR FOR UNAUTHORIZED ACCESS TO OR ALTERATION, THEFT OR DESTRUCTION OF CUSTOMER'S DATA FILES, PROGRAMS, PROCEDURES OR INFORMATION THROUGH ACCIDENT, FRAUDULENT MEANS OR DEVICES, OR ANY OTHER METHOD. VERIZON MAKES NO WARRANTY FOR USE OF THE SYSTEM AS A COMPONENT IN LIFE SUPPORT SYSTEMS OR DEVICES, PUBLIC SAFETY SYSTEMS, OR WITH RESPECT TO THE PERFORMANCE OF ANY SOFTWARE OR FIRMWARE.

12. Limitation of Liability. EXCEPT FOR PAYMENTS OWED UNDER THIS AGREEMENT, IN NO EVENT WILL EITHER PARTY BE LIABLE TO THE OTHER PARTY FOR SPECIAL, INDIRECT, INCIDENTAL, EXEMPLARY, OR CONSEQUENTIAL DAMAGES, WHETHER ARISING IN CONTRACT, TORT (INCLUDING A PARTY'S NEGLIGENCE) OR OTHERWISE, INCLUDING WITHOUT LIMITATION DAMAGES ARISING FROM DELAY, LOSS OF GOODWILL, LOSS OF OR DAMAGE TO DATA, LOST PROFITS (ACTUAL OR ANTICIPATED), UNAVAILABILITY OF ALL OR PART OF THE SYSTEM, OR OTHER COMMERCIAL OR ECONOMIC LOSS, EVEN IF SUCH PARTY HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES.

EXCEPT WITH RESPECT TO THE INDEMNIFICATION OBLIGATIONS SET OUT IN SECTION 13, VERIZON'S ENTIRE LIABILITY FOR ANY OTHER DAMAGE WHICH MAY ARISE HEREUNDER, FOR ANY CAUSE WHATSOEVER, AND REGARDLESS OF THE FORM OF ACTION, WHETHER IN CONTRACT OR IN TORT, INCLUDING VERIZON'S NEGLIGENCE, OR OTHERWISE, SHALL BE LIMITED TO THE PURCHASE PRICE OF THE SPECIFIC EQUIPMENT, SOFTWARE OR SERVICES GIVING RISE TO THE CLAIM. VERIZON SHALL BEAR NO LIABILITY FOR USE OF EQUIPMENT, SOFTWARE OR SERVICES PROVIDED UNDER THIS AGREEMENT IN CONNECTION WITH LIFE SUPPORT SYSTEMS OR DEVICES OR PUBLIC SAFETY SYSTEMS. EXCEPT AS EXPRESSLY STATED OTHERWISE HEREIN, VERIZON SHALL HAVE NO LIABILITY OR RESPONSIBILITY FOR INTEROPERABILITY OR COMPATIBILITY OF THE SYSTEM WITH THIRD-PARTY PRODUCTS OR SYSTEMS THAT CUSTOMER MAY UTILIZE IN CONJUNCTION WITH THE SYSTEM OR TO WHICH CUSTOMER MAY CONNECT THE SYSTEM.

13. Indemnification and Defense.

13.1 Except as provided below, Verizon will defend Customer against any claim, suit, action or proceeding alleging that equipment supplied by Verizon to Customer under this Agreement ("Verizon supplied equipment") infringes a valid U.S. patent or copyright ("Claim"), and Verizon will indemnify and hold harmless Customer against any and all finally awarded costs and expenses, including attorneys' fees, in connection with any such Claim.

13.2 If the use of any Verizon supplied equipment is enjoined or subject to a Claim as described above, Verizon may, at its option and expense, either procure for Customer the right to continue to use the equipment, replace the equipment, or relevant component, with substantially equivalent, non-infringing equipment, or relevant component, or modify the equipment, or relevant component, so that it becomes non-infringing. In the event that none of the foregoing options is commercially reasonable to Verizon, Verizon will remove the infringing Verizon supplied equipment and refund to Customer the purchase price for the equipment less depreciation for its use. Depreciation shall be calculated on a straight-line basis, assuming a useful life of five (5) years.

13.3 Verizon shall have no obligation for (a) any costs, fees or expenses incurred by Customer without Verizon's prior written consent; (b) any allegation, assertion, or claims of intellectual property infringement, including contributory infringement or inducement to infringe, arising out of or related to any Claim: (i) automated call processing, automated voice service, automated customer service or combined live operator/automated systems processing used in processing or completing calls, (ii) automated bridging of more than two callers utilizing some form of "listen only" (unilateral) communication combined with some form of interactive communication, (iii) prepaid calling products or services, (iv) wireless telecommunications services or support therefor, or (v) "music on hold," service; or (c) any indirect, special, consequential or incidental damages arising out of any Claim.



13.4 Any obligation on the part of Verizon to defend and indemnify shall not apply to any Claim or portion thereof that arises from (i) any negligent or willful act or omission by or attributable to Customer; (ii) use or operation of the Verizon supplied equipment in combination with equipment or services provided by Customer or any third party; (iii) any addition to or modification of the Verizon supplied equipment by Customer, any third party or Verizon at Customer's request; (iv) use of other than the then current unaltered release of any software used in the Verizon supplied equipment; or (v) any equipment, system, product, process, method or service of Customer which otherwise infringed the U.S. patent or copyright asserted against Customer prior to the supply of the equipment to Customer by Verizon under the Agreement.

13.5 The foregoing states the entire obligation of Verizon to Customer and is Customer's sole and exclusive remedy with respect to any Claim of infringement of any intellectual property right of any kind, and Verizon disclaims all other warranties and obligations with respect to any such Claims.

13.6 Customer shall defend, indemnify and hold harmless Verizon, its employees, officers, directors, agents and affiliates for damages, costs and attorneys fees in connection with any claim arising out of (a) Customer's use of the equipment provided by Verizon other than as expressly indemnified by Verizon pursuant to Section 13.1 of this Agreement, (b) combination of the equipment provided by Verizon with other equipment, software, products or services not provided by Verizon under this Agreement, (c) modification of the equipment provided by Verizon, or (d) arising out of the content of communications transmitted by or on behalf of Customer in the use of the services or equipment provided by Verizon, including but not limited to libel, slander, and invasion of privacy.

13.7 Each party (the "indemnitor") shall defend, indemnify, and hold harmless the other party (the "indemnitee") against all claims and liabilities for direct damages imposed on the indemnitee for bodily injuries, including death, and for damages to real or tangible personal property to the extent caused by the negligent or otherwise tortious acts or omissions of the indemnitor, its agents or employees in the course of performance of this Agreement.

13.8 The defense and indemnification obligations set forth in this Section 13 are contingent upon (1) the indemnitee providing the indemnitor prompt, written, and reasonable notice of the claims, demands, and/or causes of action subject to indemnification, (2) the indemnitee granting the indemnitor the right to control the defense of the same, and (3) the indemnitee's full cooperation with the indemnitor in defense of the claim, including providing information and assistance in defending the claim. Nothing herein, however, shall restrict the indemnitee from participating, on a non-interfering basis, in the defense of the claim, demand, and/or cause of action at its own cost and expense with counsel of its own choosing. No settlement may be entered into by the indemnitor on behalf of the indemnitee that includes obligations to be performed by the indemnitee (other than payment of money that will be fully paid by the indemnitor under Sections 13.1- 13.7 above) without indemnitee's prior written approval.

14. Confidentiality. Except as required by law or regulation, each party (the "receiving party") shall keep confidential and not disclose, directly or indirectly, to any third party any Confidential Information, as defined below, received from the other party (the "disclosing party") without the prior written consent of a duly authorized officer of the disclosing party. The disclosing party shall conspicuously mark its tangible Confidential Information as Proprietary or Confidential at the time of disclosure to the receiving party. Confidential Information that is disclosed orally will be identified by the disclosing party as Confidential Information at the time of disclosure to the receiving party. Each party shall use, copy and disclose the Confidential Information of the disclosing party solely for purposes of performing this Agreement. All Confidential Information of a party shall be and shall remain the property of such party. A party shall deliver to the disclosing party, upon written request by the disclosing party, all Confidential Information of the disclosing party then in the receiving party's possession or control, directly or indirectly, in whatever form it may be (including, without limitation, magnetic media) or certify its destruction to the disclosing party. Each party shall take all necessary and reasonable action, by instruction, agreement or otherwise, with its employees, consultants, subcontractors, affiliates, and representatives to satisfy its obligations hereunder. The receiving party's obligations hereunder with respect to confidentiality, non-disclosure and limitation of use of Confidential Information shall be for the term of the Agreement plus one (1) year. For purposes of this provision, a third party shall not include an entity which has a need to know the Confidential Information and which owns, is owned by, or is under common ownership with a party to this Agreement.

14.1 Nothing in this Agreement shall prevent either party from using or disclosing any Confidential Information that: (i) has become generally available to the public, other than through any improper action of such party, (ii) is



already in the possession of the receiving party and not subject to an existing agreement of confidence between the parties, (iii) is received from a third party without restriction and without breach of this Agreement, (iv) is independently developed by the receiving party as evidenced by its records, or (v) is disclosed pursuant to a valid law, rule, regulation, subpoena, demand, or order of a court or other governmental body or any political subdivision thereof of competent jurisdiction (collectively "demand"); provided, however, that the receiving party shall first have given notice thereof to the disclosing party (unless prohibited by the terms of such request or requirement, or such notice is otherwise prohibited by law) in order to permit the disclosing party to seek reasonable protective arrangements.

14.2 For purposes of this Agreement, the term "Confidential Information" shall include, without limitation, all trade secrets of a party and all other information and material that relates or refers to the plans, policies, finances, corporate developments, products, pricing, sales, services, procedures, intra-corporate transactions, suppliers, prospects and customers of a party, as well as financial information relating to such suppliers, prospects and customers, and any other similar confidentiality information and material which such party does not make generally available to the public. By way of illustration, but not limitation, Confidential Information includes all computer software (including object code and source code), computer software and data base technologies, systems, structures and architectures, and the processes, formulae, compositions, improvements, inventions, discoveries, concepts, ideas, designs, methods and information developed, acquired, owned, produced, or practiced at any time by a party, and all non-public information relating to the business of such party.

15. Alternate Dispute Resolution (ADR). Any controversy, claim, or dispute ("Disputed Claim") arising out of or relating to this Agreement, except for claims relating to indemnity, infringement, or confidentiality obligations or matters relating to injunctions or other equitable relief (together "Equitable Claims"), shall be first subject to a thirty (30) day negotiation period between the parties in which each party shall disclose to the other party all such documents, facts, statements and any other information which are reasonably requested by the other party and are relevant to the dispute in question. Should such negotiations fail to resolve the dispute within thirty (30) calendar days, Disputed Claims shall be resolved by binding arbitration of a single arbitrator in accordance with the Commercial Arbitration Rules of the American Arbitration Association. The decision of the arbitrator shall be based upon this Agreement and applicable law. The decision of the arbitrator shall be reduced to writing, shall be final and binding except for fraud, misconduct, or errors of law, and judgment upon the decision rendered may be entered in any court having jurisdiction thereof. In all arbitrations, the arbitrator must give effect to applicable statutes of limitation subject to limitation of actions terms set forth in this Agreement, and shall not be afforded any authority to award relief in excess of what this Agreement provides or to order consolidation or class arbitrations. The arbitrator shall have no authority to award punitive damages in any Disputed Claim. The parties agree that any such claims arising under this Agreement must be pursued on an individual basis in accordance with the procedure noted above. Even if applicable law permits class actions or class arbitrations, the ADR procedure agreed to herein applies and the parties waive any rights to pursue any claim arising under this Agreement on a class basis. The arbitration shall be held in a mutually agreed to location, and shall be final and binding on both parties. Each party will bear its own costs of arbitration but shall split equally the fees of the arbitration and the arbitrator.

16. Hazardous Substances. Except as disclosed to and acknowledged in writing by Verizon, Customer certifies that it is not aware of the presence of any asbestos or other hazardous substance (as defined by any applicable state, federal or local hazardous waste or environmental law or regulation) at any location where Verizon is to perform services under this Agreement. If during such performance Verizon employees or agents encounter any such substance, Customer agrees to take all necessary steps, at its own expense, to remove or contain the asbestos or other hazardous substance and to test the premises to ensure that exposure does not exceed the lowest exposure limit for the protection of workers. Verizon may suspend performance under this Agreement until the removal or containment has been completed and approved by the appropriate governmental agency and Verizon. Performance obligations under this Agreement shall be extended for the period of delay caused by said cleanup or removal. Customer's failure to remove or contain hazardous substances shall entitle Verizon to terminate this Agreement without further liability, in which event Customer shall permit Verizon to remove any equipment that has not been accepted, shall reimburse Verizon for expenses incurred in performing this Agreement until termination (including but not limited to expenses associated with such termination, such as removing equipment, terminating leases, demobilization, etc.), and shall complete payment for any portion of the System that has been accepted.

17. Force Majeure. Neither party shall be liable for any delay or failure in performance under this Agreement arising out of acts or events beyond its reasonable control, including but not limited to acts of God, war, terrorist



acts, fire, flood, explosion, riot, embargo, acts of the Government in its sovereign capacity, labor disputes, unavailability of equipment, software or parts from vendors, or changes requested by Customer. The affected party shall provide prompt notice to the other party and shall be excused from performance to the extent of such caused delays or failures, provided that the party so affected shall use reasonable efforts to remove such causes of such delays or failures and both parties shall proceed whenever such causes are removed or cease. If performance of either party is prevented or delayed by circumstances as described in this section for more than ninety (90) days, either party may terminate the affected Service or Statement of Work. Notwithstanding the foregoing, Customer shall not be relieved of its obligation to make any payments, including any late payment charges as provided in Section 2.2, above, that are due to Verizon hereunder.

18. Assignment. Neither party may, without the prior written consent of the other party, assign or transfer its rights or obligations under this Agreement; consent shall not be unreasonably withheld or delayed. Notwithstanding the foregoing, Verizon may, without prior notice, assign this Agreement, in whole or in part, to any Verizon affiliate or to any successor entity upon the merger, reorganization, consolidation or sale of all or substantially all of Verizon's assets associated with the equipment or Services provided pursuant to this Agreement. For purposes of this Section, "affiliate" shall mean a person or entity that directly or indirectly controls, is controlled by, or is under common control with Verizon. Any attempt to assign this Agreement in contravention of this Section shall be void and of no force and effect.

19. Governing Law. This Agreement shall be governed by the substantive laws of the State of Delaware, without regard to its choice of law principles.

20. Non-Waiver/Severability. Either party's failure to enforce any of the provisions of this Agreement or to exercise any right or option is not a waiver of any such provision, right, or option, and shall not affect the validity of this Agreement. Any waiver must be written and signed by the parties. If any provision of this Agreement or the provision of any Service or equipment under the terms hereof is held to be illegal, invalid, or otherwise prohibited under applicable law or regulation in any State or jurisdiction, then this Agreement shall be construed as if not containing such provision or not requiring the provision of such invalid, illegal, or prohibited Service or equipment in such State or jurisdiction.

21. Publicity. Except as required by law, the parties shall keep this Agreement confidential and shall not disclose this Agreement or any of its terms without the other party's written consent. Neither party shall use any trademark, trade name, trade dress or any name, picture or logo which is commonly identified with the other party or its affiliates, or from which any association with such party or its affiliates may be inferred or implied, in any manner, including but not limited to advertising, sales promotions, press releases or otherwise, without the prior written permission of such party. Notwithstanding any contrary term in this Agreement, the parties may issue or permit issuance of a press release or other public statement concerning this Agreement, provided, however, that no such release or statement shall be published without the prior mutual consent of the parties.

22. Notices. All notices or other communication given or required by either party to the other under this Agreement shall be deemed to have been properly given if hand-delivered, mailed by certified mail return receipt requested, or sent by facsimile with confirmation of receipt or by overnight courier. Such notices and communications shall be deemed effective upon receipt. If to Verizon, notices should be sent to Verizon Business Services, 6415-6455 Business Center Drive, Highlands Ranch, CO 80130, Attn: Customer Service (Email: notice@verioznbusiness.com) with a copy to Verizon Business Services, 22001 Loudoun County Parkway, Ashburn, VA 20147, Attn: Vice President, Legal, and if to Customer to the address specified on the cover sheet. Such address may be changed by either party by notice sent in accordance with this Section.

23. Limitation of Actions. A party may bring no action or demand for arbitration arising out of this Agreement more than two (2) years after the cause of action has accrued. The parties waive the right to invoke any different limitation on the bringing of actions under state law.

24. Compliance with Laws. Each party shall comply with the provisions of all applicable federal, state, and local laws, ordinances, regulations and codes in its performance under this Agreement or any Statement of Work, including without limitation the export laws of the United States or any country in which Customer receives equipment, software or services.



25. **Independent Contractor Relationship; No Agency.** Each party understands and agrees that it and its personnel are not agents or employees of the other party, and that each party is an independent contractor hereunder for all purposes and at all times. Neither party has the right or authority to, and shall not, assume or create any obligation of any nature whatsoever on behalf of the other party or bind the other party in any respect whatsoever. Each party shall indemnify, hold harmless and defend the other against any liabilities, claims, losses and damages (including costs, expenses and reasonable attorneys' fees) arising out of its failure to comply with this provision and any laws, rules or regulations applicable thereto.

26. **Interpretation.** The Agreement shall not be construed or interpreted for or against any party hereto because that party drafted or caused that party's legal representative to draft any of its provisions.

27. **Headings.** The Section headings used herein are for reference and convenience only and shall not enter into the interpretation of this Agreement.

28. **Modifications.** This Agreement may only be amended, changed, waived or modified in a written document that is signed by both parties.

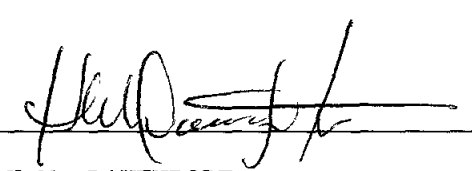
29. **Entire Agreement.** This Agreement, together with any Statement of Work hereunder and any Exhibit hereto, constitutes the entire agreement between the parties pertaining to the subject matter herein and supercedes all prior oral and written proposals, correspondence and memoranda with respect thereto, and no representations, warranties, agreements or covenants, express or implied, of any kind or character whatsoever with respect to such subject matter have been made by either party to the other, except as expressly set forth in this Agreement. In the event of conflicts among the terms of this Agreement, a Statement of Work and/or an Exhibit, the following order of precedence shall apply: the Exhibit, this Agreement, and the Statement of Work.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed. Each party warrants and represents that its respective representative whose signature appears below have been and are on the date of signature duly authorized to execute this Agreement and that each party has the authority to enter into this Agreement.

Verizon Business Financial Management Corporation or Verizon Business Network Services, Inc. on behalf of Verizon Select Services Inc.

Customer: Navarro County

By: _____
Print Name: _____
Title: _____
Date: _____

By: 
Print Name: H.M. DAVENPORT
Title: COUNTY JUDGE
Date: OCTOBER 5, 2007



**AGREEMENT FOR EASEMENT
ADJACENT TO OR CROSSING COUNTY ROADS**

STATE OF TEXAS §

COUNTY OF NAVARRO §

KNOW ALL MEN BY THESE PRESENTS:

___ Atmos Energy Corporation ___, **Builder** of a (pipeline, utility line, gas or sewer line) hereby contracts and covenants with **Navarro County** as follows:

I. ___ Atmos Energy Corporation ___, is in the process of constructing a utility line in **Navarro County**, Texas and it is necessary to cross certain county road(s) SE 0070 located in Precinct # 2, more fully described on the map attached hereto labeled Exhibit "A: and incorporated herein.

II. In consideration for **Navarro County** granting this permission through the issuance of a permit to lay a (pipeline, utility line, gas or seer line) adjacent to or crossing said county roads above described in Navarro County, Texas, ___ Atmos Energy Corporation ___, the **Builder**, herein warrants, agrees and covenants that all crossings shall be constructed as follows:

All county road crossing shall be bored, and lines underneath such roads shall be cased or Powercrete Coated ___. The entrance and exit points of such utility lines shall be clearly marked by the Builder and utility line shall be placed at a depth of no less than 6 (six) feet underneath the lowest part of the **County's** bar ditches and/or road surfaces.

Product type: **4.5" Pipe, 4.50" o.d. x 0.237" w.t., API-5LX-42, ERW, Plain ends, DRL, Coated w/ 14 mil minimum dry film thickness plant applied fusion bonded epoxy coating per ATMOS Specification M0002-Sept-10-02, or most current Specification. With additional 30 mils Atmos Energy approved Powercrete Coating**

Is this a new site: ___ Replacement segment of existing pipeline ___

What is the transport route (beginning and end): ___ West side of SE FM 0070 To East of SE FM 0070 ___

SEE ATTACHMENT "A" IF THIS IS FOR A PETROLEUM PIPELINE.

III. In consideration of the granting of this permission to lay a (pipeline, utility line, gas or sewer Line) adjacent to or across the **County's** roads, the **Builder** warrants and covenants that any damages which may be caused to County property as a result of the construction of this easement shall be the responsibility of the **Builder** and the **Builder** warrants and covenants that the area where the boring takes place shall be repaired and put back in the same condition as it originally was before such construction took place.

IV. 1. Atmos Energy Corporation the **Builder** of this Easement, hereby covenants and agree that for purposes of the work described in the above referenced paragraphs and according to the map attached hereto and incorporated herein, liquidated damages for the work herein described shall be One Thousand Dollars (\$1,000.00) per day, per violation, until such damages have been corrected and the County's requirements complied with. Such compliance shall be determined by the County Commissioner in whose precinct the work occurs. It is further understood and agreed that each crossing, should there be more than one crossing encompassing this Agreement, shall be considered as a separate possible violation per this Agreement and for purposes of assessing damages.

V. **County** hereby places _____ Atmos Energy Corporation, the **Builder**__, on notice and **Builder** hereby acknowledges that in addition to such damages above stated, the **County** could assess a fine for failure of the Builder to obtain a permit requirement as set forth above, and such fine shall not exceed Five Hundred Dollars (\$500.00) per permit.

VI. This Agreement shall be binding upon and inure to the benefit of the parties and their respective heirs, executors, administrators, legal representatives, successors, and assigns.

VII. This Agreement shall be construed under and in accordance with the laws of the State of Texas, and all obligations of the parties created by this Agreement are performable in Navarro County, Texas.

VIII. In case any one or more of the provisions contained in this Agreement shall for any reason be held to be invalid, illegal, or unenforceable in any respect, this invalidity, illegality, or unenforceability shall not affect any other provision of the Agreement, and this Agreement shall be construed as if the invalid, illegal, or unenforceable provision had never been contained in the Agreement.

IX. The rights and remedies provided by this Agreement are cumulative, and the use of any one right or remedy by either party shall not preclude or waive its right to use any or all other remedies. The rights and remedies provided in this Agreement are given in addition to any other rights the parties may have by law, statute, ordinance, or otherwise.

X. If, as a result of a breach of this Agreement by either party, the other party employs an attorney or attorneys to enforce its rights under this Agreement, then the breaching party agrees to pay the other party the reasonable attorney's fees and costs incurred to enforce the Agreement.

Builder:
Company Name: _____ Atmos Energy Corporation
Address: _____ 5420 LBJ Freeway Suite 1800 _____
_____ Dallas, TX 75240 _____
Phone Number: _____ Keith Miller, 214-206-2711 _____

2.

Navarro County

Precinct # _____

300 West 3rd. Avenue, Suite 14
Corsicana, TX 75110
903-654-3030

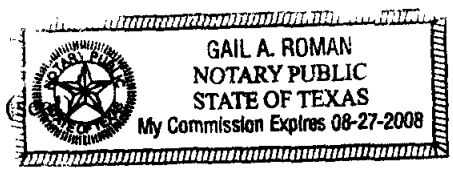
EXECUTED this 9 day of October, 2007.

[Signature]
County Judge

Sworn to and subscribed before me, the undersigned authority, on this

9 day of October, 2007

[Signature]
Notary Public, State of Texas



Gail A. Roman
Printed Name

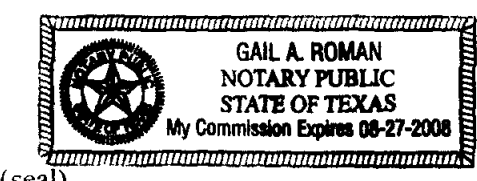
08-27-08
Commission Expires

[Signature]
County Commissioner, Precinct # 2

Sworn to and subscribed before me, the undersigned authority, on this

9 day of October, 2007

[Signature]
Notary Public, State of Texas



(seal)

Gail A. Roman
Printed Name

08-27-08
Commission Expires

3.

Builder

___ Atmos Energy Corporation, ___
Keith Miller, Project Manager

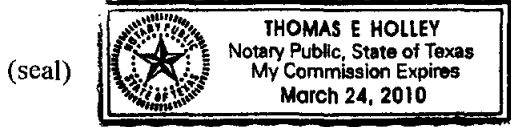
Keith Miller

Sworn to and subscribed before me, the undersigned authority, on this

3rd day of October, 2007

Thomas E. Holley

Notary Public, State of Texas



THOMAS E. HOLLEY
Printed Name

March 24, 2010
Commission Expires