

NAVARRO COUNTY COMMISSIONER'S COURT

A SPECIAL MEETING OF THE NAVARRO COUNTY COMMISSIONERS COURT WAS HELD ON MONDAY, 25th DAY OF AUGUST, 2008 AT 10:00 A.M., IN THE NAVARRO COUNTY COURTHOUSE, CORSICANA, TEXAS. PRESIDING JUDGE H.M. DAVENPORT, COMMISSIONERS PRESENT KIT HERRINGTON FAITH HOLT, AND JAMES OLSEN.

1. 10:00 A.M. MOTION TO CONVENE BY HERRINGTON SEC BY HOLT
ALL VOTED AYE
2. PRAYER BY COMMISSIONER OLSEN
3. PLEDGE OF ALLEGIANCE
4. PUBLIC COMMENTS- TOM ARY-IN FAVOR OF ABATEMENT, CHRIS WIRTZ-DISCUSSION ABOUT STREETMAN VFD, PHIL KREJEI -NEED TO CONTACT COMPTROLLER ABOUT ABATEMENT POLICY, BRET LATTA-NAVARRO COUNTY-EMPLOYEES WAGES, DIANA RAWLINS-ABATEMENT, AND VICKY PRATER-ABATEMENT

CONSENT AGENDA

- MOTION TO TABLE ITEMS 14-19 BY HERRINGTON SEC BY JUDGE DAVENPORT
ALL VOTED AYE
ITEMS 5-13 & 22 MOTIONS TO APPROVE BY OLSEN SEC BY HOLT
ALL VOTED AYE
MOTION TO APPROVE ITEMS 20 & 21 BY HERRINGTON SEC BY OLSEN
ALL VOTED AYE
5. MOTION TO APPROVE THE MINUTES FROM THE PREVIOUS MEETING OF AUGUST 11, 2008, AUGUST 18, 2008, AUGUST 19, AUGUST 20, 2008
 6. MOTION TO APPROVE AND PAY BILLS AS SUBMITTED BY THE COUNTY AUDITOR
 7. MOTION TO APPROVE COUNTY AUDITOR TO ADVERTISE FOR BIDS FOR ANNUAL CONTRACTS
 8. MOTION TO APPROVE THE MINUTES OF THE JULY 2, 2008 PLANNING AND ZONING MEETING **TO WIT PG 27-29**

9. **MOTION TO APPROVE SPECIAL USE PERMIT #08-384 FOR PAUL M. KENNER. THIS REQUEST IS FOR USED MANUFACTURED HOME TO BE LOCATED ON SE 0110**
 10. **MOTION TO APPROVE SPECIFIC USE PERMIT #08-385 FOR BRIAN CARTER. THIS REQUEST IS FOR A STORAGE BUILDING TO BE LOCATED ON LOTS 15 & 16 OF CRAB CREEK RANCHETTES**
 11. **MOTION TO APPROVE REPLATS OF LOTS 24& 25 OF FOWLERS POINT BY F.JEFF & PATRICIA STONE**
 12. **MOTION TO APPROVE SPECIFIC USE PERMIT #08-386 FOR XTO ENERGY, INC. THIS REQUEST IS FOR A GAS WELL (POE#1) TO BE LOCATED ON SE 2190**
 13. **MOTION TO APPROVE SPECIFIC USE PERMIT #08-387 FOR XTO ENERGY, INC. THIS REQUEST IS FOR A GAS WELL(HEROD#1) TO BE LOCATED ON SE 2100**
 14. **MOTION TO TABLE SPECIFIC USE PERMIT #08-388 FOR LANCELOT ENERGY, INC. THIS REQUEST IS FOR AN OIL WELL (GALAHAD PG MSL#1) TO BE LOCATED ONE 0090**
 15. **MOTION TO TABLE SPECIFIC USE PERMIT #08-389 FOR LANCELOT ENERGY, INC. THIS REQUEST IS FOR AN OIL WELL (GALAHAD WB MSL # 1A) TO BE LOCATED ON SE 0090**
 16. **MOTION TO TABLE SPECIFIC USE PERMIT #08-390 FOR LANCELOT ENERGY, INC. THIS REQUEST IS FOR AN OIL WELL (GALAHAD PG MSL#2) TO BE LOCATED ON SE 0090**
 17. **MOTION TO TABLE SPECIFIC USE PERMIT #08-391 FOR LANCELOT ENERGY, INC THIS REQUEST IS FOR AN OIL WELL (GALAHAD PG PCH #1) TO BE LOCATED ON SE 0090**
 18. **MOTION TO TABLE SPECIFIC USE PERMIT #08-392 FOR LANCELOT ENERGY, INC. THIS REQUEST IS FOR AN OIL WELL (GALAHAD PG PCH #2) TO BE LOCATED ON SE 0090**
 19. **MOTION TO TABLE SPECIFIC USE PERMIT #08-393 FOR LANCELOT ENERGY, INC. THIS REQUEST IS FOR AN OIL WELL (GALAHAD PG PCH #3) TO BE LOCATED ON SE 0090**
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20. MOTION TO APPROVE A FINAL PLAT FOR UNION HIGH SUBDIVISION LOCATED ON SE 4300
21. MOTION TO APPROVE A FINAL PLAT FOR CEDAR LANE SUBDIVISION LOCATED ON NW 1180
22. MOTION TO APPROVE TREASURERS REPORT FROM RUBY COKER
TO WIT PG 30

REGULAR AGENDA ITEMS

23. MOTION TO APPROVE AN AMENDMENT TO THE NAVARRO COUNTY SUBDIVISION REGULATIONS REGARDING REQUIREMENTS FOR FIRE SUPPRESSION BY HOLT SEC BY OLSEN
ALL VOTED AYE **TO WIT PG 31**
24. MOTION TO APPROVE RESOLUTION OF THE COMMISSIONERS COURT OF NAVARRO COUNTY ADOPTING GUIDELINES AND CRITERIA FOR GRANTING TAX ABATEMENT IN REINVESTMENT ZONES CREATED BY THE COUNTY OR OTHER AUTHORIZED TAXING JURISDICTIONS; AND ESTABLISHING AN EFFECTIVE DATE BY OLSEN SEC BY HOLT
ALL VOTED AYE **TO WIT PG 32-41**
25. MOTION TO APPROVE AGREEMENT FOR EASEMENT ADJACENT TO OR CROSSING COUNTY ROADS IN PRECINCT 3 & PRECINCT 4 BY ONEOK ARBUCKLE PIPELINE; LLC WITH A NATURAL GAS PIPELINE CONTINGENT UPON AGREEMENT IS PREPARED ON NEW FORMS BY OLSEN SEC BY HERRINGTON
ALL VOTED AYE **TO WIT: NO AGREEMENT FILED AT TIME OF COMMISSIONERS COURT**
26. MOTION TO LIFT BURN BAN BY OLSEN SEC BY HERRINGTON
ALL VOTED AYE
27. MOTION TO APPROVE NAVARRO COUNTY TO SPONSOR CORBET WATER SUPPLY CORPORATION FOR A GRANT FOR SYSTEM IMPROVEMENTS FOR 2008-2009
NO ACTION TAKEN
28. MOTION TO DENY PETITION FOR THE CREATION OF FRESH WATER SUPPLY DISTRICT FOR SOUTHPORT MARINA, INC BY JUDGE DAVENPORT SEC BY HOLT
ALL VOTED AYE

29. MOTION TO APPROVE CHANGING OF POLLING PLACE IN PRECINCT 2
IN 201 TO BEARS DEN BY HOLT SEC BY HERRINGTON
ALL VOTED AYE TO WIT PG 42
30. MOTION TO APPROVE ORDERING THE GENERAL ELECTION FOR
NOVEMBER 2008 BY OLSEN SEC BY HOLT
ALL VOTED AYE TO WIT PG 43
31. MOTION TO APPROVE THE 911 RESPONSE AREA IN WHICH NAVARRO
COUNTY CURRENTLY SHOWS AS STREETMAN AREA
NO ACTION TAKEN
32. MOTION TO APPROVE SOFTWARE CONTRACT RENEWAL WITH HIS
FOR INDIGENT HEALTH CARE BY HOLT SEC BY HERRINGTON
ALL VOTED AYE TO WIT PG 44-69
33. MOTION TO APPROVE PAYMENT IN LIEU OF TAXES BY CITY OF
CORSICANA BY HERRINGTON SEC BY OLSEN
ALL VOTED AYE TO WIT PG 70
34. MOTION TO APPROVE ACCEPTING GRANT MODIFICATIONS FOR
GRANT #18PNT5012 FOR THE NORTH TEXAS H.I.D.T.A BY
HERRINGTON SEC BY OLSEN TO WIT PG 71
ALL VOTED AYE
35. MOTION TO APPROVE PROPOSED TAX RATE FOR 2008 OF .5828 BY
HERRINGTON SEC BY HOLT
OLSEN-YES JUDGE DAVENPORT-YES
HERRINGTON-YES WILLIAM BALDWIN-ABSENT
HOLT-YES
ALL VOTED AYE
36. MOTION TO GO INTO EXECUTIVE SESSION PURSUANT TO THE TEXAS
GOVERNMENT CODE SECTION 551.072 TO DISCUSS REAL PROPERTY
BY HOLT SEC BY HERRINGTON
ALL VOTED AYE
- MOTION TO COME OUT OF EXECUTIVE SESSION BY HOLT SEC BY
HERRINGTON
ALL VOTED AYE
- NO ACTION TAKEN
37. MOTION TO ADJOURN BY HOLT SEC BY HERRINGTON
ALL VOTED AYE

THESE MINUTES ARE HEREBY APPROVED THIS 8 DAY OF SEPTEMBER 2008.

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 AUGUST 25TH, 2008.

SIGNED 8 DAY OF SEPTEMBER 2008.

[Signature]
SHERRY DOWD, COUNTY CLERK





NAVARRO COUNTY PLANNING AND DEVELOPMENT

300 W. 3rd Ave.
Suite 16
Corsicana, Texas 75110

Vicki Stoecklein, Administrator
Becky Garrett, 911 Addressing
Stanley Young, Environmental
Robert Gray, Environmental
903-875-3312 PH.

vstoecklein@navarrocounty.org
903-875-3314 FAX

PLANNING AND ZONING COMMISSION MINUTES

July 2, 2008

5.30 P.M.

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

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

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

Item #2 on the agenda was consideration of the minutes of the June 5, 2008 Planning and Zoning meeting. Motion to approve Commissioner Irvine, second by Commissioner Smith, all voted aye.

Item # 3-8 were tabled from the last meeting. Motion by Commissioner Sigman to remove these items from the table, second by Commissioner Smith.

Item #3 on the agenda was specific use permit #08-376 for Texas MOR, Inc. This request is for an injection well, Cavender B 61 to be located on SE 0070. Motion to approve by Commissioner Irvine; conditioned that the well is not within 300' of a residence, second by Commissioner Smith, all voted aye.

Item #4 on the agenda was specific use permit #08-377 for Texas MOR, Inc. This request is for an injection well, Cavender B 71 to be located on SE 0070. Motion to approve by Commissioner Irvine, conditioned that the well is not within 300' of an residence, second by Commissioner White, all voted aye.

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Planning and Zoning minutes
July 2, 2008

Item #5 on the agenda was specific use permit #08-378 for Texas MOR, Inc. This request is for an injection well, Helen Pierce 4 1 to be located on SE 0070. Motion to approve by Commissioner Irvine, conditioned that the well is not within 300' of a residence, second by Commissioner Smith, all voted aye.

Item #6 on the agenda was specific use permit #08-379 for Texas MOR, Inc. This request is for an oil well, Chapman 1 to be located on SE 0070. Motion to approve by Commissioner Newton, conditioned that the well is not within 300' of a residence, second by Commissioner Smith, all voted aye.

Item #7 on the agenda specific use permit #08-380 for Texas MOR, Inc. This request is for an oil well, Chapman 3 to be located on SE 0070. This well is 136' from a residence and the company could not reach an agreement with the homeowner to waive the distance requirement. Motion to deny by Commissioner Irvine, second by Commissioner Newton, all voted aye.

Item #8 on the agenda was specific use permit #08-381 for Texas MOR, Inc. This request if for an oil well, Chapman 2 to be located on SE 0070. Motion to approve by Commissioner Irvine, conditioned that the well is not within 300' of a residence, second by Commissioner McGuire, all voted aye.

Item #9 on the agenda was specific use permit #08-384 for Paul Kenner. This request is for a used manufactured home to be located on SE 0110. The home is under going refurbishing. The Commission wanted pictures of the final product before making a decision. Motion to table by Commissioner Newton, second by Commissioner Irvine, all voted aye.

Item #10 on the agenda was a final plat for Grandview Deux. This property consists of 8.9 acres with 9 tracts located on S. Hwy 287 and located in the Robert Caradine Survey. All requirements had been met. Motion to approve by Commissioner Smith, second by Commissioner White, all voted aye.

Item # 11 on the agenda was a final plat for Baybridge. This property consists of 33.83 acres with 42 tracts located on S. Hwy 287 in the Elijah Powers Survey. All requirements had been met. Motion to approve by Commissioner Irvine, second by Commissioner Sigman, all voted aye.

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July 2, 2008

Item # 12 on the agenda was consideration of a petition for the creation of a Fresh Water Supply District for Southport Marina, Inc. This item was for discussion and no action was taken.

Adjourn.

AFFIDAVIT SUBMITTED BY
RUBY COKER
NAVARRO COUNTY TREASURER

STATE OF TEXAS

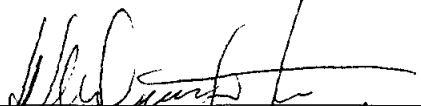
COUNTY OF NAVARRO

Before me, the undersigned authority, on this day personally appeared the following named persons, and after being duly sworn, deposes and says: Honorable H. M. Davenport, Jr., County Judge, Honorable Kit Herrington, Commissioner Pct. #1, Honorable Faith Holt, Commissioner Pct. #2, Honorable William Baldwin, Commissioner Pct. #3, and Honorable James Olsen, Commissioner Pct. 4.


I, Ruby Coker, the Navarro County Treasurer, on this 25th day of August, 2008 present to the Navarro County Commissioners Court the Monthly Financial Report for the month ending on July 31, 2008 for the court to review and approve. According to the report, Navarro County had cash on hand in the amount of \$1,179,194.69. Also, other assets totaling \$7,948,683.84 are being held by the Treasurer's office. The total interest for all accounts for the month of July, 2008 was \$18,750.13. The total disbursements for the month of July, 2008 were \$3,543,863.37. This report is in compliance with section 114.026 of the Local Government Code, so therefore we hereby execute this affidavit for publication.

With this signed affidavit, We the Commissioners Court, state that the requirements of Subsection (C) have been met with the examination of this report.

Signed and executed this 25th day of August, 2008.



H. M. Davenport Jr. - County Judge



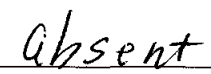
Faith Holt - Commissioner Pct 2



James Olsen - Commissioner Pct 4

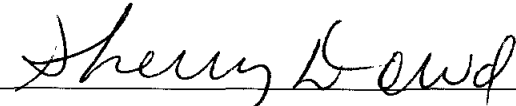


Kit Herrington - Commissioner Pct 1

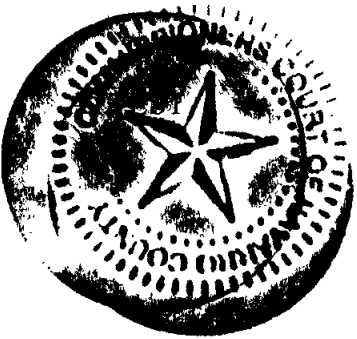


William Baldwin - Commissioner Pct 3

SWORN AND SUBSCRIBED TO BEFORE ME, this 25th day of August, 2008 by H. M. Davenport, Jr., Kit Herrington, Faith Holt, William Baldwin, and James Olsen, in their official capacities as the members of the Navarro County Commissioners Court.



Sherry Dowd - Navarro County Clerk



Fire Suppression:

If a subdivision is not served by fire hydrants, the developer is required to provide fire fighting water sources consisting of a limited fire suppression system meeting the following requirements :

- (1) for a subdivision of fewer than 50 tracts, 2,500 gallons of storage; or
- (2) for a subdivision of 50 or more tracts, 5,000 gallons of storage

The fire fighting water sources and access road shall be indicated on the final plat.

COUNTY OF NAVARRO
RESOLUTION

A RESOLUTION OF THE COMMISSIONERS COURT OF NAVARRO COUNTY ADOPTING GUIDELINES AND CRITERIA FOR GRANTING TAX ABATEMENT IN REINVESTMENT ZONES CREATED BY THE COUNTY OR OTHER AUTHORIZED TAXING JURISDICTION; AND ESTABLISHING AN EFFECTIVE DATE.

WHEREAS, the County has adopted a resolution stating that it elects to participate in tax abatements; and

WHEREAS, Chapter 312 of the Texas Tax Code requires counties, which elect to participate in tax abatement programs, to establish guidelines and criteria governing the designation of reinvestment zones and tax abatement programs prior to granting any future tax abatement; and

WHEREAS, to assure a common coordinated effort to promote economic development with Navarro County, the Guidelines and Criteria should be adopted; and

WHEREAS, any tax incentives offered by Navarro County should be limited to those companies that create new wealth within the County; and

WHEREAS, no tax incentives offered by Navarro County should adversely affect the competitive position of existing companies operating in the County.

NOW, THEREFORE, BE IT RESOLVED BY THE COMMISSIONERS COURT OF NAVARRO COUNTY, TEXAS THAT:

SECTION 1.

The Tax Abatement Guidelines, Criteria and Policy for the County of Navarro, Texas attached hereto as Exhibit "A" is hereby adopted as the guidelines and criteria governing tax abatement in Navarro County. The Tax Abatement Guidelines, Criteria and Policy shall be effective for two (2) years from the date of this resolution, and may be amended or repealed only by a vote of 3/4ths of the members of the County Commissioners Court.

SECTION 2.

This resolution shall become effective upon passage.

PASSED AND APPROVED ON THIS 25TH DAY OF AUGUST, 2008.



[Handwritten Signature]
H. M. Davenport, County Judge

[Handwritten Signature]
Sherry Dowd, County Clerk

EXHIBIT A

**TAX ABATEMENT GUIDELINES, CRITERIA AND POLICY
COUNTY OF NAVARRO, TEXAS**

SECTION 1. AUTHORITY, PURPOSE AND OBJECTIVES

- 1.01 Pursuant to Chapter 312 of the Texas Property Tax Code, the County of Navarro, Texas (hereinafter referred to as "County") is authorized to designate Reinvestment Zones and to enter into tax abatement agreements in areas of the County that do not include areas that are in the taxing jurisdiction of a municipality. With regard to properties located in Reinvestment Zones for which a municipality has given tax abatement incentives, the County may likewise enter into tax abatement agreements

- 1.02 Section 312.002 of the Texas Property Tax Code requires that the County establish guidelines and criteria governing tax abatement agreements. These guidelines and criteria are for the purpose of promoting the efficient and reasonably consistent administration of tax abatement incentives. These guidelines are effective for two (2) years from the date adopted by the Navarro County Commissioner's Court (hereinafter referred to as "Commissioner's Court").

- 1.03 These guidelines and criteria, and the procedures established herein, do not:
 - a. Limit the discretion of the Commissioner's Court to decide whether to enter into a specific tax abatement agreement,
 - b. Limit the discretion of the Commissioner's Court to delegate to its employees the authority to determine whether or not the Commissioner's Court should consider a particular application or request for tax abatement, and
 - c. Create any property right, contract right or other legal right to any person, or firm, or corporation to have the Commissioner's Court consider or grant a specific application for a specific request for tax abatement.

- 1.04 The County is committed to the promotion of quality development in all parts of the County and to an ongoing improvement in the quality of life for its citizens. Insofar as these objectives are generally served by the enhancement and expansion of the local economy, the County will, on a case-by-case basis, give consideration to providing tax abatement as stimulation for economic development in the County. It is the policy of the County that said consideration will be provided in accordance with the guidelines, criteria and procedures outlined in this document. Nothing herein shall imply or suggest that the County is under any obligation to provide any incentive to any applicant. All applicants shall be considered on a case-by-case basis.

SECTION 2. DEFINITIONS

- 2.01 **“Abatement”** means the full or partial exemption from ad valorem taxes of certain real property values and/or tangible personal property values in a reinvestment or enterprise zone designated by the County for economic development purposes.
- 2.02 **“Agreement”** means a contractual agreement between a property owner and/or lessee and the County.
- 2.03 **“Base Year”** means the calendar year in which the abatement contract is executed (signed).
- 2.04 **“Base Year Value”** means the assessed value of eligible property January 1 preceding the execution of the agreement plus the value of eligible property improvements and Tangible Personal Property made after January 1, but before the execution of the Agreement, and which property is owned by the owner, co-owner, and/or its parent companies, subsidiaries, partners, co-venturers, or any entity exercising control over the owner or subject to control by the owner.
- 2.05 **“Deferred Maintenance”** means improvements necessary for continued operation which that do not improve productivity, or alter the process technology, reduce pollution or conserve resources.
- 2.06 **“Eligible Facilities”** or **“Eligible Projects”** means new, expanded or modernized buildings and structures, tangible personal property as defined in the Texas Tax Code, including fixed machinery and equipment, which is reasonably likely as a result of granting abatement to contribute to the retention or expansion of primary employment or to attract major investment in the reinvestment zone that would be a benefit to the property and that would contribute to the economic development within the County, including facilities which are intended primarily to provide goods and/or services to residents or existing businesses located in the County such as, but not limited to, restaurants and retail sales establishments. Eligible facilities may include, but shall not be limited to, industrial buildings and warehouses. Eligible facilities may also include facilities designed to serve a regional population greater than the County for medical, scientific, recreational or other purposes.
- 2.07 **“Expansion”** means the addition of buildings, structures, machinery, tangible personal property, equipment, payroll or other taxable value for purposes of increasing production capacity; and/or, a property previously undeveloped which is placed into service by means other than expansion or modernization.
- 2.08 **“Modernization”** means a complete or partial demolition of facilities and the complete or partial reconstruction or installation of a facility of similar or expanded production capacity. Modernization may result from the construction, alteration, or installation of buildings, structures, machinery, equipment, pollution control devices or resource conservation equipment.
- 2.09 **“New Facility”** means a property previously undeveloped which is placed into service by means other than in conjunction with Expansion or Modernization.
- 2.10 **“Productive Life”** means the number of years a property improvement is expected to be in service in a facility.

- 2.11 **“Tangible Personal Property”** means tangible personal property classified as such under state law, but excluding inventory and/or supplies and tangible personal property that was located in the investment or enterprise zone at any time before the period covered by the agreement with the County.

SECTION 3. REINVESTMENT ZONE DESIGNATION

- 3.01 A Reinvestment Zone may only be designated in accordance with Subchapter C of Chapter 312 of the Texas Property Tax Code, as amended. The procedures set forth in this section apply to County created reinvestment zones.
- 3.02 A Reinvestment Zone under § 312.401 of the Texas Property Tax Code may only be designated by the Commissioner’s Court, in an area of the County that does not include an area within the taxing jurisdiction of a municipality.
- 3.03 An area may be designated as a Reinvestment Zone if the Commissioner’s Court, after a public hearing on the proposed designation, finds that the designation would contribute to the retention or expansion of primary employment within the County or would attract major investment in the Reinvestment Zone and would contribute to the economic development of the County.
- 3.04 A public hearing on the proposed Reinvestment Zone designation must be held prior to the findings and action of the Commissioner’s Court on the proposal. At this hearing, all interested persons are entitled to speak and present evidence for or against the designation. Not later than the seventh (7th) day before the date of the public hearing, notice of the public hearing shall be: (1) published in a notice at least 3” x 5” in size, at least three times, in a newspaper having general circulation in the County, and (2) delivered in writing to the presiding officer of the governing body of each taxing unit that includes in its boundaries real property that is to be included in the Reinvestment Zone. The public hearing must also be posted as an agenda item on the Commissioner’s Court agenda to comply with the Tax Code and the Texas Open Meetings Act.
- 3.05 A delivered notice made under subsection 3.04 in the paragraph above is presumed to be delivered when placed in the mail, postage paid and properly addressed to the appropriate presiding officer. A notice properly addressed and sent by registered or certified mail for which a return receipt is received by the sender is considered to have been delivered to the addressee.
- 3.06 If the Commissioner’s Court finds that designation of the area as a Reinvestment Zone is proper, such proposed designation shall be put to a vote of the Commissioner’s Court, and will pass if a majority of the members of the Commissioner’s Court in attendance vote to approve the designation.
- 3.07 The order of the Commissioner’s Court designating the area as a Reinvestment Zone (Zone) shall contain a description of the precise boundaries of the Zone.
- 3.08 The designation of the Reinvestment Zone may be for a period of up to five (5) years. No

designation shall exceed five (5) years, and may be for a shorter period at the discretion of the Commissioners. The designation shall automatically expire five (5) years after the date of the designation unless renewed by the Commissioner's Court for subsequent periods not to exceed five (5) years each.

- 3.09 Property eligible for tax abatement may be located both in a Reinvestment Zone designated by the County and in a Reinvestment Zone designated by a municipality.
- 3.10 Designation of an area as an Enterprise Zone under the Texas Enterprise Zone Act (Chapter 2303, Government Code) constitutes designation of the area as a Reinvestment Zone without further hearing or other procedural requirements other than those set out in the Texas Enterprise Zone Act.
- 3.11 Section 312.204(b) of the Texas Property Tax Code requires that the agreements made with the owners of property in a reinvestment zone contain identical terms for the portion of the value of the property that is to be exempt and the duration of the exemption

SECTION 4. ABATEMENT AUTHORIZED

- 4.01 Tax Abatement is authorized, subject to the approval of the Commissioner's Court and execution of a lawful tax abatement agreement, for properties located within a Reinvestment Zone designated by the Commissioner's Court, or for properties located within a municipal reinvestment zone.
- 4.02 Authorized Facilities: Tax abatement may be granted for new facilities and for expansion or modernization of existing facilities. The Productive Life of a facility or improvements must exceed the life of the tax abatement agreement.
- 4.03 Eligible Property: Tax abatement may be granted for Eligible Facilities or Projects and increased value to real property or tangible personal property to the extent allowed by state law.
- 4.04 Value of Abatement: Eligible Facilities may be granted abatement on all or a portion of the increased value of eligible property over the Base Year for a period to be determined by the Commissioner's Court. Taxes may be abated for real property or improvements, to the extent that the value of the real property exceeds the value for the Base Year. Taxes on eligible Tangible Personal Property may be abated to the extent of additions, but cannot be abated for Tangible Personal Property located on the real property at any time before the period covered by the tax abatement agreement, and cannot be abated for inventory and supplies.

SECTION 5. CRITERIA FOR TAX ABATEMENT

- 5.01 The following threshold criteria shall be used to determine whether any tax abatement incentives shall be considered:
 - a. An investment of at least one million dollars (\$1,000,000.00) in property improvements or in personal property must be made, not including purchase price of the land.

- b. The project must obtain all required permits and meet all relevant planning and zoning requirements as applicable.

5.02 In addition to the minimum requirements stated above, the following subjective criteria shall be considered prior to granting any economic development incentive:

- a. Is the project consistent with the preferred development or redevelopment of the County?
- b. What types and cost of public improvements and services (roads, bridges, etc.) will be required of the County? What types and values of public improvements, if any, will be made by the applicant?
- c. What impact will the project have on the local consumer and business communities?
- d. How many full time jobs directly and indirectly are created by the Company?

SECTION 6. DISCRETION OF THE COUNTY

6.01 It is the policy of the County to customize offers of economic development incentives on a case-by-case basis. The individualized design of a total incentive package is intended to allow maximum flexibility in addressing the unique concerns of each applicant while enabling the County to better respond to the changing needs of the community.

6.02 The criteria outlined in Section 5 above will be used to determine whether it is in the best interest of the County to provide any economic development incentives to a particular applicant. The degree to which the specified project furthers goals and objectives of the County and the relative impact of the specified project will be used to determine the total value of the incentives provided. As a general rule, no tax abatement will be provided to any applicant in an amount exceeding the value of the following:

- a. No incentive shall be provided which abates taxes on real property or personal property by more than five hundred percent (500%) over ten (10) years of the specific project (i.e. 50% level of abatement for a term of 10 years).
- b. An Eligible Project located within the boundaries of County that meets all tax abatement criteria stated herein is eligible for, but not entitled to, the maximum tax abatement.

SECTION 7. APPLICATION PROCEDURES AND PROCESS

7.01 Any developer desiring that County consider providing economic development incentives to encourage location of an Eligible Project within the County shall be required to comply with the following application procedures and process. However, nothing within these guidelines shall imply or suggest that the County is under any obligation to provide any incentive to any applicant.

7.02 Applicant shall file an application for tax abatement with the County Judge which shall include at least the following information to be considered, if applicable, in the determination whether to grant tax abatement.

- a. A cover letter on Company letterhead addressed to the County Judge from the Company signed by a corporate officer requesting tax abatement consideration by the Commissioner's Court.
- b. A survey plat showing the precise location of the property, all roadways proximate to the site, and all existing zoning (as applicable) and land uses proximate to the site.
- c. A metes and bounds legal description of the property considered for designation as a reinvestment zone.
- d. A completed *Application for Industrial Tax Abatement* consisting of the following data and information:
 1. Date of application;
 2. Name of firm, partnership, or corporation and mailing address;
 - (a) Previous tax abatement received from Navarro County (Yes/No);
 - (b) If previous abatement has been received, date it was received;
 3. Number of new full time (40 hour work week) employees to be added;
 4. Number of acres of property to be developed
 - (a) Plat of property and development or site plan attachment (Yes/No);
 5. Estimated value of existing real property to be developed;
 6. Estimated value of real property improvements;
 7. Estimated value of existing inventory;
 8. Estimated value of inventory to be added;
 9. Estimated value of existing personal property;
 10. Estimated value of taxable personal property improvements;
 11. Total estimated value of taxable investment to be made;
 12. Description of public services for project development and new facilities and/or

services required;

- 13. Development schedule for all improvements;
- 14. Estimate impact on the local school district(s);
- 15. Expected benefit to the local economy;
- 16. Estimated annual payroll of new employees;
- 17. Description or product to manufactured or distributed;
- 18. Expected Productive Life of all real property improvements;
- 19. Identification and quantity of all pollutants and emissions;
- 20. Certification of no materially adverse environmental impact as a result of the improvements and operations;
- 21. Certification that project is compliant with relevant zoning requirements;
- 22. Declaration by company official with signature that all information provided is correct.
- 23. Reasonable proof of financial ability.
- 24. References from past communities, if applicable.

e. An environmental compliance letter addressed to the Navarro County Judge written on company letterhead and signed by a company official confirming that the proposed project will fully comply with all requirements and regulations from the U.S. Environmental Protection Agency, Texas Commission on Environmental Quality, and all local environmental requirements, regulations, and codes.

SECTION 8. ABATEMENT AGREEMENT

8.01 Not later than the seventh (7th) day before the date on which the County enters into the tax abatement agreement (Agreement), the County shall deliver to the presiding officer of the governing body of each other taxing unit in which the property is located a written notice that the County intends to enter into the Agreement. The notice shall include a copy of the prepared Agreement.

8.02 The County shall formally pass a resolution authorizing the execution of an agreement with the owner (hereinafter referred to as Company). The Agreement shall contain at least:

- a. The Base Year Value;
- b. The percent of value to be abated each year;
- c. The commencement date and the termination date of abatement;
- d. The proposed use of the facility, property survey and property description, and list of property improvements;
- e. Contractual obligations in the event of default;
- f. A provision for access to and authorization for inspection of the property by County employees to make certain the improvements or repairs are being made according to the specifications and conditions of the agreement;
- g. The limitations on the uses of the property consistent with the general purpose of encouraging development and/or redevelopment of the zone during the period that property tax exemptions are in effect;
- h. A provision for recapturing property tax revenue lost as a result of the agreement in accordance with Section 9;
- i. A provision that all permanent jobs be registered with the Texas Workforce Commission and that all contractors be encouraged to seek qualified workers through the Texas Workforce Commission;
- j. Each and every term and condition agreed to by the County and the Company;
- k. A requirement that the Company certify annually to governing body of each taxing unit granting tax abatement is in compliance with applicable terms and conditions of the agreement; and
- l. All terms required by Texas Property Tax Code § 312.205, as amended, and any other terms deemed appropriate by the Commissioner's Court.

SECTION 9. RECAPTURE OF TAXES AND TERMINATION OF AGREEMENT

- 9.01 The Commissioners Court shall have the authority to require recapture of all taxes abated in the event the Company violates any term or condition of the Agreement.
- 9.02 In the event that the facility is completed and begins operation as required by the Agreement, but during the term of the Agreement subsequently discontinues such operation, or fails to maintain property values as required by the Agreement, for any reason excepting fire, explosion, or other casualty or accident or natural disaster, then the agreement may terminate and all taxes previously abated by virtue of the Agreement shall be recaptured and paid to the County within sixty (60) days of the termination.

9.03 In the event that the company or individual:

- a. allows its ad valorem taxes owed the County or other affected jurisdiction to become delinquent and fails to timely and properly follow the legal procedures for their protest and/or contest; or
- b. fails to make improvements or repairs as provided in the agreement, the Agreement then shall be terminated and all taxes previously abated by virtue of the agreement shall be recaptured and paid within sixty (60) days of the termination.

9.04 Should the County determine that the Company or individual is in default according to the terms and conditions of the abatement agreement, the County shall notify the company or individual, in writing, at the address stated in the agreement, and if such non-compliance is not resolved within sixty (60) days from the date of such notice, then the agreement shall be terminated.

SECTION 10. AMENDMENTS TO THESE GUIDELINES AND CRITERIA

The guidelines and criteria adopted herein shall not be amended or repealed except by three-fourths (3/4^{ths}) vote of the Commissioner's Court.

SECTION 11. EFFECTIVE DATE

These guidelines and criteria adopted herein shall be effective from the date of passage and remain effective for two (2) years from such date of adoption, unless otherwise repealed or amended by a three-fourths (3/4^{ths}) vote of the Navarro County Commissioner's Court.

PASSED and APPROVED on this the 25 day of August, 2008.



[Handwritten Signature]

 H.M. Davenport, Judge

ATTEST:

[Handwritten Signature]

 Sherry Dowd, County Clerk

POLLING PLACES – 2008 – GENERAL ELECTION

42

PRECINCT NO.

PLACES

101 CISD INSTRUCTIONAL MATERIALS, 312 W 1ST AVE, CORSICANA, TEXAS
103 FANNIN ELEMENTARY SCHOOL, 3201 N BEATON, CORSICANA, TEXAS
104 MEMORIAL BAPTIST CHURCH, 1700 N 45TH STREET, CORSICANA, TEXAS
105 BARRY METHODIST CHURCH, MAIN STREET, BARRY, TEXAS
106 EMHOUSE COMMUNITY CENTER, 503 N HOPPIN AVE, EMHOUSE, TEXAS
107 RICE CITY HALL, 203 E CALHOUN, RICE, TEXAS
108 CHATFIELD COMMUNITY CENTER, FM 1603, CHATFIELD, TEXAS
109 ROANE BAPTIST CHURCH, FM 3401, ROANE, TEXAS
200 MARTIN LUTHER KING CENTER, 1114 E 6TH, CORSICANA, TEXAS
201 BEARS DEN, 802 S. 2ND, CORSICANA, TEXAS
202 TRAVIS CENTER, 1009 W 13TH AVE, CORSICANA, TEXAS
203 KERENS FEDERAL HOUSING AUTHORITY OFFICE, 106 MCCLUNG DR, KERENS, TEXAS
204 POWELL FIRE STATION, 201 CARR ST, POWELL, TEXAS
205 EUREKA UNITED METHODIST CHURCH, 8644 S US HWY 287, EUREKA, TEXAS
206 MILDRED HIGH SCHOOL, 5475 S US HWY 287, MILDRED, TEXAS
207 ROUND PRAIRIE BAPTIST CHURCH, FM 309 S, KERENS, TEXAS
208 BETHLEHEM BAPTIST CHURCH, 409 N 3RD ST, CORSICANA, TEXAS
209 NAVARRO CO. COURTHOUSE, COMMISSIONER'S CONFERENCE ROOM, 300 W 3RD AVE, CORSICANA, TEXAS
300 UNITED CHRISTIAN FELLOWSHIP BLDG 3301 W 7^H AVE, CORSICANA, TEXAS
301 LEE ACADEMY, 2200 W 4TH AVE, CORSICANA, TEXAS
303 DAWSON VOLUNTEER FIRE DEPT., MAIN STREET, DAWSON, TEXAS
304 NAVARRO FIRE STATION, 150 N HARVARD FM 3243, NAVARRO, TEXAS
305 ANGUS CITY HALL, 6008 SOUTH IH 45, ANGUS, TEXAS
306 RETREAT CITY HALL, FM 709, RETREAT, TEXAS
307 RICHLAND CITY HALL, MAIN STREET, RICHLAND, TEXAS
308 WINKLER MASONIC LODGE, FM 416, WINKLER, TEXAS
400 YMCA RHOADS-OPT BLDG, 400 OAKLAWN DR, CORSICANA, TEXAS
400A YMCA RHOADS-OPT BLDG, 400 OAKLAWN DR, CORSICANA, TEXAS
401 COLLINS MIDDLE SCHOOL, 1500 DOBBINS RD, CORSICANA, TEXAS
402 CORSICANA I.O.O.F. LODGE, 3330 W 2ND AVE, CORSICANA, TEXAS
403 BLOOMING GROVE AMBULANCE & FIRE STATION, 101 S HINCKLEY, BLOOMING GROVE, TEXAS
404 FROST ISD BLDG., 208 NORTH WYRICK, FROST, TEXAS
405 PURDON BAPTIST CHURCH, FM 55, PURDON, TEXAS
406 PURSLEY FIRE STATION, FM 709, PURSLEY, TEXAS

ORDER OF GENERAL ELECTION
(ORDEN DE ELECCION GENERAL)

An election is hereby ordered to be held on November 4th, 20 08, in Navarro
(date)
County, Texas for the purpose of electing the following county and precinct officers as required by Article XVI,
Section 65 of the Texas Constitution.

(Por la presente se ordena que se lleve a cabo una elección el día Noviembre de 04,
2008, en el Condado de Navarro, Texas, con el propósito de elegir los siguientes oficiales del
condado y del precinto como requerido por el Artículo XVI, Sección 65, de la Constitución de Texas.)

(List Offices) (Enúmere los puestos oficiales)

Early voting by personal appearance will be conducted each weekday at:
(La votación adelantada en persona se llevará a cabo de lunes a viernes en:)

Navarro County Courthouse Basement 300 W 3rd Ave Corsicana, TX 75110
(location) (sitio)

Recommended but not required

between the hours of 8:00 a.m. and 5:00 p.m. beginning on October 20, 2008
(date)
(entre las 8:00 de la mañana y las 5:00 de la tarde empezando el Octubre 20, 2008)
(fecha)
and ending on October 31, 2008. (y terminando el Octubre 31, 2008)
(date) (fecha)

Applications for ballot by mail shall be mailed to:
(Las solicitudes para boletas que se votarán adelantada por correo deberán enviarse a:)

Danda Parker, EA
(Name of Early Voting Clerk)
(Nombre del Secretario de la Votación Adelantada)

P.O. Box 1018
(Address) (Dirección)

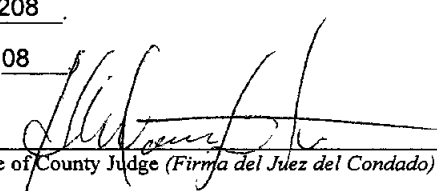
Corsicana, TX 75151
(City) (Ciudad) (Zip Code) (Zona Postal)

Applications for ballots by mail must be received no later than the close of business on:
(Las solicitudes para boletas que se votarán adelantada por correo deberán recibirse para el fin de las horas de negocio el:)

October 28, 2008
(date) 28 (fecha) 2008

Issued this the 25th day of August, 20 08.

(Emitada este día 25th de Agosto, 20 08)


Signature of County Judge (Firma del Juez del Condado)

Data Processing Services Agreement

THIS AGREEMENT is entered into and executed on the date set forth below, by and between Indigent Healthcare Solutions, Ltd. ("IHS"), having offices located at 2040 North Loop 336, Suite 304, Conroe, Texas 77304, and Navarro County ("County") with administrative offices located at Navarro County Courthouse, Corsicana, Texas 75110 :

WHEREAS, the Commissioners Court of the County has determined that a public necessity exists to preserve, store, process, retrieve and organize certain data and information of the County in order to prevent material losses to the County and to comply with the terms and conditions of the Texas Indigent Health Care and Treatment Act, Texas Health & Safety Code, Subtitle C, Chapter 61 (the "Act");

WHEREAS the Commissioners Court of the County has determined that it needs to contract for data processing services; and

WHEREAS, the Commissioners Court of the County has determined that such data processing services would be best provided by IHS; and

WHEREAS, IHS is willing to enter into this agreement upon the terms and conditions hereinafter set forth;

NOW, THEREFORE, for and in consideration of the premises stated above and of the mutual covenants, agreements, and promises hereinafter set forth, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

1. AGREEMENT TO PROVIDE SERVICES
The County agrees to retain IHS as an independent contractor, and IHS agrees to provide service to the County upon the terms and conditions hereinafter stated.

2. TERM
This agreement shall have an Initial Term of Two (2) years commencing on October 1, 2008, and continuing to and including October 1, 2010.

3. POST-EXPIRATION ASSISTANCE
Upon termination of this Agreement in part or in full by action of the terms herein or upon action of the parties, IHS will assist in the transferal of the County's data files in the possession of IHS pursuant to this Agreement, including conversion of such data to an other data format usable by the County; provided, however, that use of such format does not violate the proprietary rights of IHS or any third party.

The County shall be responsible for reasonable fees to and costs incurred by IHS for such transferal or reformatting of data, at IHS' then-prevailing rates for

time and materials, and any costs and expenses of associated travel, including reasonable per diem expenses. The County shall specify in writing to IHS what data records County desires to be converted, the format requested, and the media on which the converted data is requested to be written or recorded; provided, that IHS and County shall mutually agree on the data to be converted, the format of such converted data, and the media on which such converted data shall be written or recorded.

If this Agreement has been terminated under Section 6 on the basis that funds have not been appropriated, IHS shall have no obligation hereunder to provide such transferal or conversion assistance to the County unless and until the County certifies in writing that funds are available for such services from current sources and the County is committed to pay IHS for such services from such current sources.

The County shall be solely responsible for obtaining and for the costs of any applicable third party licenses that may be required to accomplish or permit the conversion to the agreed format and using the agreed media.

4. AUTHORIZATION

The County Judge of the County certifies that all appropriate steps to legally enter into this Agreement have been taken on behalf of the County, that the matter has been approved by the Commissioners Court and that the terms of this Agreement are understood and agreed by County. Moreover, the County Judge certifies that all laws, rules and regulations as well as any local governmental rules were followed with regard to acceptance of this contract and that this agreement meets all standards for governmental contracts.

5. BREACH, INVALIDATION OR EARLY TERMINATION

This Agreement shall automatically terminate upon the occurrence of any one or more of the following, whether or not notice is given to County, unless IHS in its sole discretion elects to continue to provide the Services under the terms of this Agreement: (i) any attempt or offer by County to transfer, sublicense or assign, or any actual transfer, sublicense or assignment of, this Agreement, the License Agreement, or any rights or obligations arising under either of these; (ii) because of any change in applicable law or regulation, or order of any court, regulatory agency or other instrumentality of government having jurisdiction and authority, which change or order has or likely will have the effect, as determined in the sole judgment of IHS, of substantially altering, or making impracticable IHS' performance of, the material terms and conditions of this Agreement or the License Agreement; or (iii) any assignment or transfer, whether actual or constructive, by operation of law or lawful order, including but not limited to a receiver or trustee in bankruptcy taking possession, or an assignment for the benefit of creditors.

IHS shall have the right to terminate this Agreement immediately upon the material breach of this Agreement or of the License Agreement by County or any of its officers, elected officials, employees, agents or other representatives, by the giving of written notice to County, stating the reasons for such termination.

IHS reserves the right immediately to terminate this Agreement if any claims for copyright or patent infringement, or infringement or misappropriation of intellectual property or intellectual property rights, or for unfair competition or trade practices, or other misuse, relating to the Programs or any part thereof, are asserted against IHS, any relevant licensor of IHS, or the County or any of County's employees, officers, agents or representatives. Such determination shall be

in the sole discretion of IHS. Termination on this basis shall be effective on notice in writing to County by IHS, stating the reason for such termination. In the event of such termination, IHS will make a good faith effort to assist County to arrange for substitute services; and IHS shall have the option, in lieu of such termination, to offer to provide reasonable substitute services on terms and conditions (if different than those specified in this Agreement with regard to obligations of IHS other than as to specific equipment, software and other materials) to be agreed by the parties.

The License Agreement shall terminate, without necessity of notice to County, upon termination or expiration of this Agreement, unless otherwise expressly agreed in writing by IHS.

If this Agreement is terminated or invalidated pursuant to Section 6 (except as otherwise expressly provided in this Agreement for termination under such section) or by County's breach, including but not limited to breach of the terms of any software or other license applicable to equipment or software used or provided by IHS in providing the Service, or invalidated by operation of law or lawful order, IHS shall have no duty to assist County as described by Section 3.

In the event of termination for any reason prior to the Expiration Date of the term hereof or any renewals thereof, IHS shall have the right immediately to reclaim possession of its property, programs (including but not limited to the Programs specifically licensed in the Non-Exclusive License Agreement, **Attachment B** hereto ("License Agreement")), data, and related documentation or other support materials, and County shall have a duty to immediately return all such items and any and all copies of such items in its possession or under its control to IHS, and shall immediately refrain from using same.

6. SUBJECT TO APPROPRIATION

This Agreement shall continue in force as set forth in Paragraph 2 above, subject only to the following limitation: The obligation of the County to make payments under this Agreement is subject to annual appropriation by the County in its budget of funds to make such payments.

In the event funds for this Agreement are or become unavailable due to non-appropriation, this Agreement will thereupon terminate without penalty to or further obligation hereunder of either party, as of the last date for which funds have been appropriated; provided, that

the County will remain responsible for costs and fees accrued hereunder for periods prior to such non-appropriation termination; and provided, further, that any assistance provided to County by IHS in the transferal of County data, including but not limited to any conversion or formatting of data, shall be provided by IHS under the provisions of Section 3, and County's obligation thereunder to pay for such services shall not be excused by reason of the non-appropriation of funds for the Agreement as a whole.

County certifies that it has available funds for payment of this Agreement during the initial fiscal year of the County in the Initial Term hereof. Further, County agrees that it will notify IHS at least ninety (90) days prior to the end of its fiscal year if it does not intend to make such appropriation for the coming fiscal year. If this Agreement is not terminated pursuant to this section, then on or before ten (10) days before the beginning of each County fiscal year during the applicable term hereof, the County shall provide written certification that adequate funds have been appropriated by the County for the payment in full required under this Agreement for such fiscal year.

7. SERVICES

During term hereof, IHS shall provide data processing services to the County and its various departments, as described in **Attachment A** hereto ("Scope of Services and Schedule of Equipment") (the "Services"). IHS agrees to provide training to the County's personnel in the various County departments utilizing the Services hereunder, when, in the opinion of both parties, it will further the intent of this Agreement and facilitate and expedite the provision of the Services.

IHS shall render the Services to the County as may be reasonably requested from time to time by the County.

The County acknowledges that during the term of this Agreement certain computer programs will be utilized or otherwise made available by IHS and that these programs (the "Programs") and their use by the County or on its behalf or for its benefit shall be governed by the Non-exclusive License Agreement attached hereto as **Attachment B** ("License Agreement"), which is hereby incorporated into this Agreement, and by other applicable terms of this Agreement. In the event of a conflict between the terms of this Agreement or any amendment hereto and the License Agreement as it may be amended from time to time, the terms of the License Agreement shall control.

Initial Installation of the IHS Programs shall occur after an initial orientation of appropriate County personnel by IHS, to be arranged as specified in Section 17.E below. As contemplated in Section 17.E, the initial orientation shall be at no additional charge to the County if it is performed at IHS' offices in Conroe, Texas; but if County elects to have such initial orientation at another location, County shall be responsible for fees and reasonable costs associated with the provision of such orientation, at IHS' then-prevailing time and materials rates, including costs and expenses of IHS travel and reasonable per diem expenses. Initial Installation shall be performed at no additional costs to County. After Initial Installation, access and maintenance of the Programs by IHS will be by remote access, for the provision of which remote access County is responsible, as contemplated in Section 17.F below. After Initial Installation, any trips by IHS to the installation site that may be required shall be billed to County on a time and materials basis, including costs and expenses of IHS travel and reasonable per diem expenses, and County agrees to pay such charges, costs and expenses.

8. SPECIAL SERVICES

IHS will from time to time provide the County with such special services or supplies outside the stated scope of the Services but related thereto as may reasonably be requested or approved by the County, and for which special services funds have been appropriated, including but not limited to: special data entry services, such as conversion, program and test data keypunching, and other data entry; computer runs; or industrial or systems engineering services; provided, that the County and IHS agree upon the fees and costs therefor, that the County approves, in writing, payment for such special services, and certifies in writing that appropriated funds are available to pay for such special services. Special services shall include conversion, formatting or other handling of data to be maintained or utilized by IHS under this Agreement, whether such data is provided to IHS by County or on County's behalf by a previous or existing third-party County service provider, as may be reasonable or necessary.

For any custom programming (*i.e.*, any programming or other services not identified in Attachment A) that is requested by County and which IHS agrees to provide, IHS shall provide County an estimate of the time and materials, and any other anticipated costs and expenses (such as travel), likely to be required to accomplish the requested custom programming, based on IHS' then-prevailing rates for such custom programming services.

County shall have the option thereafter to have the custom programming performed. Upon County providing a written certification that appropriated funds are available from current sources to pay for such custom programming services, IHS shall perform such services. IHS shall bill County, and County agrees to pay, for the actual time, materials and other costs and expenses incurred in performing the custom programming, at IHS' then-prevailing rates.

The County is responsible that its networks, databases and other records; its workstations or other computers or equipment of any kind used by County staff or others to access, send, receive, print, write or record, manipulate, store, backup (see section 17.C), restore (see section 17.C), or otherwise use (collectively hereinafter "Access") individually identifiable health information ("IHI"; also referred to as protected health information, "PHI"); its security and security procedures and controls, and Access and authorization procedures and controls; and any other relevant County functions or procedures concerning such data or Access thereto, are compliant with the Health Insurance Portability and Accountability Act ("HIPAA"), 29 U.S.C. §§ 1181, et seq., and all applicable regulatory rules or guidelines implementing HIPAA ("HIPAA Regulations") (both collectively "HIPAA" unless otherwise stated), as the statute or such regulatory rules or guidelines may be amended from time to time, and including any successor statutes or regulatory rules or guidelines. IHS is providing the Programs on an "as is" basis. If additional equipment, software or other programming beyond the Programs "as is" status, or procedures are required so that the data processing services provided by IHS hereunder for the County may be achieve compliance with HIPAA, considering the County's network, operating systems, and equipment and their configuration, deployment and other characteristics, the County's program, applications and data access practices and procedures, staffing, Access and other security rules and procedures, or other relevant factors, comply with HIPAA, County shall be responsible for the costs of compliance by IHS, on a time and materials basis at IHS' then-prevailing rates, and costs and expenses of any associated IHS travel, including reasonable per diem expenses.

If IHS is requested to provide assistance to County to respond to any request made under the Texas Public Information Act, IHS shall be compensated by County for any such assistance that is outside the scope of the standard reporting specified in **Attachment A**, on a time and materials basis at IHS' then-prevailing rates.

9. OWNERSHIP AND CONFIDENTIALITY

The County's data files and the data contained therein shall be and remain the County's property. All the existing data and data files of the County shall be returned to it by IHS at the Expiration Date or upon earlier termination of this Agreement. The County's data shall not be utilized by IHS for any purpose other than that of rendering services to the County under this Agreement and will not be disclosed, sold, assigned, leased, or disseminated to third parties, by IHS, or commercially used or exploited by or on behalf of IHS, its employees or agents.

10. PROTECTION OF COUNTY DATA

IHS shall establish and maintain reasonable safeguards against the destruction or loss of the County's data in the possession of IHS, which safeguards shall at least meet the standards of safety maintained by the County for like data. As provided in Section 17.C below, the County shall be responsible for daily and monthly backup of data.

11. MONTHLY FEES; INTEREST; TAXES

Commencing October 1, 2008 and on the first day of each succeeding month thereafter during the term of this Agreement or extension hereto, the County shall pay to IHS at its office in Montgomery County, Texas, as advance monthly fees for the Service, the sum of Nine hundred forty-five Dollars (\$ 945.00) (the "Monthly Fee"), except that the initial payment shall be for the first and last month of the term in advance, that is, shall be equal to twice the Monthly Fee quoted in this section.

In the event the County elects to add additional equipment or software, or to request substitute equipment or software, during the term of the Agreement, IHS shall provide it, subject to availability and there being appropriated funds certified by the County in writing and sufficient to cover associated additional or increased costs and fees associated with such additional or replacement equipment and software. IHS may require an initial fee for the costs of providing the requested additional equipment or software. The Monthly Fee applicable thereafter may be increased by IHS as necessary to reflect any additional cost to IHS of providing, installing, maintaining, repairing and, as appropriate, operating each requested additional device and any associated software or licenses.

Timely payment in full of fees and other costs when due is a material obligation of the County. Payments are due within thirty (30) days of invoice by IHS.

Amounts due and payable by County but not timely received by IHS shall accrue interest at the maximum rate permitted by law from the first day past due until paid.

County shall be responsible for any and all taxes or levies of any kind or character whatever that may be assessed or due on account of the Services, except any receipts taxes or income taxes of IHS. If County claims exemption from any particular tax or taxes, such as sales taxes, County must provide IHS with a copy of the applicable tax exemption certificate.

12. TERMINATION

Except as otherwise provided herein for immediate termination by IHS, if the County defaults in any required payments to IHS, or fails to perform any other material obligation hereunder, IHS shall notify the County in writing of such default, including a brief statement of the facts constituting the claimed default. If the County does not cause such default to be remedied within ten (10) days after receipt of such written notice, IHS shall have the right to terminate this Agreement with no further written notice to County, and without penalty to IHS. Such termination for default will not relieve the County of its obligation to pay all fees and costs accrued or otherwise due and payable under this Agreement as of the date of such termination; and shall not operate to waive or diminish any other rights of IHS hereunder, or to obtain such other relief at law or in equity to which it may be entitled.

If IHS defaults in its obligations hereunder, County shall notify IHS in writing of such claimed default, including a statement of the facts asserted as the basis for such claimed default. IHS shall have a reasonable time after receipt of such written notice to review the County's claim and respond to County with an estimate of the time required to cure the claimed default. IHS shall then cause such default to be remedied within the estimated time. If timely cure is not made by IHS, the County shall have the right by further written notice to IHS to terminate this Agreement; provided, that such termination shall not operate to excuse County of payment for all costs and fees accrued hereunder prior to such termination. Except as provided in this Section and in Section 6, this Agreement shall not be cancelable by the County.

13. TIME REQUIREMENTS

IHS is not required to devote its efforts exclusively to the performance of this Agreement, and IHS shall not

be prohibited from engaging in other employment or transacting other business related to its field of endeavor and expertise.

14. INDEPENDENT CONTRACTOR

The parties contemplate and intend that the relationship of IHS to County at all times during the term of this Agreement and any extensions thereof shall be that of an independent contractor and not an employee of the County; and nothing in this Agreement or any license, document or attachment made a part hereof, nor any oral agreement, discussion or representation between the parties, shall be construed or applied to create any relationship between the parties other than that of IHS as an independent contractor. IHS shall provide its own personnel for the completion of its services hereunder and agrees to properly insure them. Other than as may be expressly provided herein to the contrary, IHS is and shall be the sole and exclusive owner of any and all work product or intellectual property it may create or cause to be created for or in relation to its provision of the Services to the County.

15. NOTICE

Any notice required to be given hereunder shall be in writing, and shall be deemed delivered (i) three (3) business days after deposit in the U.S. Mail, postage prepaid, sent by registered mail, (ii) one (1) business day after being sent for overnight delivery by a reputable commercial courier, or (iii) upon hand delivery or receipt of facsimile transmission, to the address or facsimile number designated in this Agreement and to the attention of the person named herein as designated for receipt of notice by the receiving party, or to such other address, facsimile number or person as the receiving party may designate in writing to the sending party from time to time.

If to IHS:

INDIGENT HEALTHCARE SOLUTIONS
2040 Loop 336 - Suite 304
Conroe, Texas 77304

If to County:

Attn: Navarro County Judge
Navarro County Courthouse
300 W. 3rd Avenue, #102
Corsicana, Texas 75110

16. SITE ENVIRONMENT; COUNTY LIABILITY FOR DAMAGE TO EQUIPMENT OR SITE ENVIRONMENT

The County shall provide a suitable installation and operation environment (the "Site Environment") for the computers and other equipment utilized by IHS in connection with this Agreement. in accordance with the applicable equipment manufacturer's requirements, a copy of which is available to the County upon request, and with any other requirements specified in **Attachment C** hereto ("Statement of Site Environment Requirements and Acknowledgment of Responsibility for Site Environment"). In the event the County does not provide or maintain the required Site Environment at any time during the term of this Agreement or any extensions thereof, IHS is authorized at its sole option either to terminate this Agreement by giving ten (10) days written notice, or to take such steps as may be reasonable or necessary under the circumstances, as determined by IHS in its sole judgment, to provide, restore or maintain the Site Environment, and the County shall reimburse IHS for all incurred costs of such provision, restoration or maintenance of the Site or any substitute Site.

If the County's officers, employees, or other agents or representatives misuse or in any way abuse or damage, by negligence or otherwise, equipment, software or documentation provided or operated by IHS in providing the Service, the County will be responsible for all costs associated with repair or replacement, as such repair or replacement is determined by IHS in its sole discretion to be needed or appropriate. In the event IHS provides computers or other equipment installed at a location on County property, then County will provide insurance coverage for loss or damage of such equipment and software, or related documentation, and also shall be responsible for all costs associated with repair or replacement. Notwithstanding the County's financial responsibility for any such repairs or replacements called for in this section, IHS shall be and remain the owner of such equipment, software, documentation and associated licenses.

Prior to the installation or operation of any computer equipment and related software by IHS for the provision of the Services, the County will execute a copy of **Attachment C**, which is hereby incorporated into this Agreement.

17. COUNTY ASSISTANCE

The County agrees to cooperate fully with IHS in the provision of the Services, and to make personnel available for the purpose of installation and training. Failure by County to make reasonable efforts to facilitate IHS' delivery of the Services shall not be a basis in whole or part for alleging non-performance by IHS. The following is intended to supplement and clarify the obligation of County to provide reasonable assistance to IHS in its provision of the Service, but in no way to limit or waive County responsibilities elsewhere stated or implied in this Agreement.

- A. County agrees to appoint a Site Coordinator and to notify IHS of such appointment in writing within seven (7) days of executing this Agreement. The Site Coordinator shall be IHS' contact person for providing the Service and for administering the License Agreement, and shall be responsible for coordination between the County and IHS pertaining to the Service, including but not limited to coordination and prioritization of day-to-day services by IHS and County requests for services or special services.
- B. County will make reasonable efforts to ensure that appropriate persons from all affected County offices and departments will attend any applicable training sessions. It shall be the responsibility of the Site Coordinator to announce and otherwise communicate to County's personnel information and notices concerning applicable scheduled training and installation, maintenance, or repair activities.
- C. The County shall be solely responsible to provide daily and monthly backup of all data. IHS initially will provide seventeen (17) data tapes suitable for such backup, including five (5) tapes for daily weekday backup, and twelve (12) tapes for individual monthly backup. After the first twelve months, the County will purchase and use new tapes for each succeeding twelve-month period or part thereof to ensure the reliability of the tapes in use; and the County will retain the old tapes as needed to maintain backup data for the prior year. The parties agree this approach will be the most appropriate to ensure that PHI data will be suitably protected and preserved. It will be the County's responsibility to ensure that daily and monthly backups are timely performed and have integrity; that the

backup tapes are properly stored and maintained; and that the rotation of weekly and monthly tapes occurs in proper order and that stored backup data is not inadvertently or prematurely over-written or erased. The County will be responsible for any costs associated with the acquisition, installation or operation of backup equipment or software, and for any costs of restoring data. *IHS will not be responsible or liable in any way for loss of data or compromise of data quality or accuracy caused in whole or part by the failure of the County properly to perform backup or for the failure of integrity of such backup data or tapes.*

- D. County shall cooperate fully with IHS in efforts by IHS to maintain any copyrights, trademarks or service marks, patents, trade secrets or other intellectual property or proprietary information in the Programs or other materials, equipment, software, or data provided or utilized by IHS in provision of the Services hereunder, including but not limited to directly assisting IHS as IHS may reasonably request, and in taking all actions and executing all documents necessary to the reasonable efforts of IHS to maintain and protect such intellectual property. Failure of County to provide such assistance shall constitute a material breach of this Agreement.
- E. Initial Installation of the Programs shall occur after an initial orientation of appropriate County personnel by IHS. IHS offers an initial orientation to County at its offices in Conroe, Texas, without additional charge. If County chooses to have the initial orientation at another location, it shall cooperate with IHS to schedule the orientation at a mutually convenient time and location, and County shall reimburse IHS for costs and expenses incurred by IHS personnel in travel to and from such other location, including without limitation, travel costs and expenses and reasonable per diem expenses, and shall pay IHS a reasonable fee, at IHS' then-prevailing rates for time (including travel) and materials, for such orientation services.
- F. In order that IHS may provide remote support and maintenance, County shall be responsible for providing, at County's

expense, suitable remote electronic access for IHS to the Programs, the server on which they are installed, and the applicable County network, including providing suitable access equipment as may be necessary, and any assistance that may be required from time to time to accomplish such access. For the purposes of this provision, unless otherwise expressly agreed by IHS in writing, "suitable remote electronic access" shall mean remote access using "suitable access equipment." and with the cooperation and assistance of County. The parties agree that a virtual private network ("VPN"), if available, would be the preferred method for such IHS remote electronic maintenance access because it would provide the currently most assured secure access considering HIPAA requirements and the confidential nature of health care data, including PHI. Thus, for the purposes of this provision, "suitable access equipment" shall mean, at a minimum, provision by County of a Web port, an FTP port, and a Telnet port, for the use of IHS, and, if practicable for County to provide, also a virtual private network accessible by IHS. If County fails or refuses for any reason to provide suitable remote electronic access to IHS including suitable access equipment, County agrees that it shall be responsible for paying, and shall pay, service fees and costs for any services provided by IHS that require on-site access by IHS, at IHS then-prevailing rates for time (including travel time) and materials, and including costs and expenses of travel for IHS personnel providing such services.

- G. Each year, IHS holds an annual Customer Advisory Committee meeting. All customers of record are invited and are strongly encouraged to attend. (Attendance is at the client's expense.) Software performance is discussed, new software features and/or enhancements are demonstrated, and clients are asked to identify any improvements, modifications, or enhancements they may desire. Based on the clients' interests and priorities of those in attendance, IHS identifies improvements, modifications and/or enhancements it will seek to make to the IHS Programs over the next year. Such improvements,

modifications and/or enhancements will be provided in new software releases.

H. County agrees to provide IHS with suitable workspace at or near the Site, including appropriate furnishings and the use of a telephone.

18. ASSIGNMENT

This Agreement shall be binding upon the successors and assigns of each party. Other than IHS' granting a Uniform Commercial Code security interest to a third party lender in the accounts receivable/contract rights to receive money under this Agreement and in any equipment, software or other materials furnished by IHS to County, or an assignment or transfer by IHS of all or substantially all of IHS' business or assets to a third party which expressly agrees to assume the duties and responsibilities of this Agreement, neither party may assign all or any of its rights or obligations hereunder without the express written consent of the non-assigning party.

19. ENTIRE AGREEMENT

This Agreement is the entire agreement between the parties concerning the subject matter hereof, but may be amended from time to time only by a writing duly executed by both parties.

20. APPLICABLE LAW; VENUE

This Agreement shall be construed under the laws of the State of Texas, its choice of laws provisions excepted, and the invalidity of any portion shall not invalidate the remainder of the agreement, but such remainder shall be given full force and effect if practicable. Jurisdiction and venue shall lie exclusively in the state district courts of Travis County, Texas, or the federal district courts of the Western District of Texas, Austin Division.

21. INDEMNITY

TO THE EXTENT PERMITTED BY LAW, COUNTY SHALL INDEMNIFY AND HOLD IHS HARMLESS FROM ANY AND ALL CLAIMS, SUITS AND PROCEEDINGS OF ANY KIND OR CHARACTER (HEREIN, "CLAIMS"), INCLUDING BUT NOT LIMITED TO CLAIMS CONCERNING PROPERTY DAMAGE, PERSONAL INJURY OR DEATH, OR INFRINGEMENT OF INTELLECTUAL PROPERTY, ASSERTED AGAINST IHS BY ANY PERSON (INCLUDING ANY THIRD PARTY; OR ANY COUNTY OFFICER, OFFICIAL, EMPLOYEE, AGENT OR OTHER

REPRESENTATIVE (HEREIN, ALL COLLECTIVELY "COUNTY PERSONNEL"), OR ANY PERSONS AUTHORIZED OR PERMITTED BY COUNTY TO BE PRESENT ON THE SITE OR TO USE OR ACCESS ANY EQUIPMENT, SOFTWARE OR ASSOCIATED DOCUMENTATION PROVIDED BY IHS OR OTHERWISE USED BY IHS IN THE PROVISION OF THE SERVICE (COLLECTIVELY, "COUNTY GUESTS"), OR ANY IHS PERSONNEL), ARISING IN WHOLE OR PART FROM ANY ACT OR OMISSION BY COUNTY OR ANY COUNTY PERSONNEL OR COUNTY GUESTS; provided, that the County shall have no obligation hereunder to IHS for any third party Claims of intellectual property infringement either (i) arising from use by County Personnel or Guests of equipment or software provided by IHS for provision of the Services, where the acts of such County Personnel or Guests are in strict accord with the terms of this Agreement, including full compliance with the terms of any third party or IHS licenses applicable to such equipment or software, or (ii) for acts or omissions of IHS or IHS personnel.

22. INTELLECTUAL PROPERTY RIGHTS RETAINED; CONFIDENTIALITY; OPEN RECORDS REQUESTS

No rights to use or possess any intellectual property of IHS or any third party are granted or transferred to the County by this Agreement except as expressly provided herein or in any license agreements expressly made a part of this Agreement.

Each party shall keep strictly confidential the proprietary or other confidential information of the other that may be acquired or provided in the course of performance of this Agreement. Each party shall promptly notify the other in writing of any discovered compromise of such confidentiality. COUNTY SHALL USE UTMOST CARE TO ENSURE THAT NO UNAUTHORIZED COPIES OF OR ACCESS TO SOFTWARE AND OTHER INTELLECTUAL PROPERTY PROVIDED BY IHS IN THE PROVISION OF THE SERVICE IS OBTAINED BY UNAUTHORIZED PERSONS.

COUNTY SHALL IMMEDIATELY INFORM IHS IN WRITING OF ANY REQUEST UNDER THE TEXAS PUBLIC INFORMATION ACT ("TPIA") FOR INSPECTION OR COPYING OF ANY INFORMATION, DATA, SOFTWARE OR OTHER INTELLECTUAL PROPERTY OR MATERIALS

OF IHS OR ANY OF ITS SUPPLIERS BEING USED IN THE PROVISION OF THE SERVICE OR OTHERWISE LICENSED TO COUNTY BY IHS, AND SHALL TIMELY INITIATE THE REVIEW PROCESS OF THE TEXAS ATTORNEY GENERAL UNLESS EXPRESSLY RELEASED IN WRITING BY IHS FROM THIS OBLIGATION. In the event that disclosure is ultimately required, licensee shall provide, along with access to or any copies of such disclosed materials, a written notice to the recipient that the materials are owned by or licensed to IHS, and are protected by the federal Copyright Act; that recipient is not by virtue of disclosure under the TPIA thereby authorized to use, copy, or disseminate the materials without the express written consent of IHS; and that any unauthorized use, copying or dissemination may constitute a violation of federal copyright or other laws, and could therefore subject the recipient to civil or criminal penalties. THIS IS A MATERIAL OBLIGATION OF THE COUNTY, AND ANY FAILURE OF THE COUNTY TO COMPLY, FOR WHATEVER REASON, IS GROUNDS FOR IMMEDIATE TERMINATION BY IHS OF THIS AGREEMENT AND ANY ASSOCIATED LICENSES.

23. DISCLAIMER OF WARRANTIES; NO IMPLIED WARRANTIES

IHS EXPRESSLY DISCLAIMS ANY AND ALL WARRANTIES NOT EXPRESSLY PROVIDED IN THIS AGREEMENT, INCLUDING BUT NOT LIMITED TO ANY IMPLIED WARRANTIES OF MERCHANTABILITY OR WARRANTIES OF FITNESS OF USE FOR A PARTICULAR PURPOSE. IHS MAKES NO REPRESENTATIONS REGARDING THE PERFORMANCE OF OR FITNESS FOR USE FOR ANY PURPOSE OF ANY EQUIPMENT OR SOFTWARE EXCEPT AS EXPRESSLY STATED IN THIS AGREEMENT. NO ADVICE OR REPRESENTATIONS BY IHS OR IHS PERSONNEL SHALL CREATE ANY SUCH WARRANTY. IHS DOES NOT MAKE ANY WARRANTY THAT THE SERVICE WILL BE ACCURATE. UNINTERRUPTED OR ERROR-FREE; AND IN PARTICULAR DOES NOT WARRANT THAT ANY INFORMATION, DATA, SOFTWARE OR EQUIPMENT USED TO PROVIDE OR ACCESSIBLE THROUGH THE SERVICE WILL BE AT ALL TIMES FREE OF VIRUSES, WORMS, TROJAN HORSES OR OTHER HARMFUL COMPONENTS. COUNTY IS SOLELY RESPONSIBLE FOR THE ACCURACY

OF ANY AND ALL DATA THAT IS THE SUBJECT MATTER OF THE SERVICES, AND IHS MAKES NO REPRESENTATIONS OR WARRANTIES ABOUT SUCH DATA.

24. DISCLAIMER AND LIMITATION OF LIABILITY

NEITHER IHS NOR ANY OF ITS OFFICERS, EMPLOYEES, AGENTS OR REPRESENTATIVES SHALL BE LIABLE FOR ANY DIRECT, INDIRECT, SPECIAL, CONSEQUENTIAL, INCIDENTAL, PUNITIVE OR EXEMPLARY DAMAGES THAT RESULT OR ARISE FROM COUNTY'S USE OF THE SERVICE. THE COUNTY'S SOLE REMEDY FOR BREACH OF THIS AGREEMENT BY IHS SHALL BE TERMINATION AS PROVIDED IN SECTION 12 HEREOF.

25. FORCE MAJEURE

IHS shall not be responsible for performance hereunder, and its obligation to perform the Services shall be suspended, for the duration of any events of force majeure, including but not limited to: Acts of God including fire, explosion, storm and other weather events; cable or power outages, cable cuts or other loss of necessary connectivity, including failure of networks; failure or loss of any third party supplies, or termination or recision of any third party licenses necessary for the provision of the Services; terrorism, vandalism, sabotage, theft of components, hacking or other interference with software or operating system or network operations, including worms, viruses, Trojan horses or other harmful agents, or interference with, alteration or destruction of County data; any action, law, order regulation, directive, or request of the United States government or of any state or local government, or of any agency, commission, court, regulatory body or other instrumentality of such government, or of any civil or military authority; war, national emergency or civil insurrection, riot or other civil disorder; strike, work stoppage or lockout; or any other event outside the control of IHS or its reasonable ability to have avoided or prevented; and such excuse by reason of force majeure shall last until IHS by the exercise of reasonable diligence might remove, avoid or otherwise cure such impediment.

26. NO WAIVER OF RIGHTS

No term or provision of this Agreement shall be deemed to be waived and no consent to any breach or default shall be deemed unless such waiver or consent

be in writing signed by the party against which such waiver or consent is asserted; the terms of this Agreement shall not be deemed to be amended by any such waiver or consent unless in a writing expressly stating such amendment; and any waiver by either party, whether express or implied, shall not imply a consent or waiver of any term or provision on any other occasion, or any consent to any different breach or default.

27. LIMITATIONS; ATTORNEYS FEES
Any claim concerning the performance of any provision of this Agreement must be brought within one (1) year of the occurrence of the event, whether act or omission, complained of, or be barred. In any action or proceeding to enforce any terms or provisions of this Agreement, to obtain equitable relief (including injunction), or to collect damages, the party prevailing shall be entitled to recover from the other all applicable costs of suit or settlement, including but not limited to filing fees, court costs,

expert fees, costs of ADR, and reasonable attorneys fees.

28. CONSTRUCTION
Descriptive headings or captions in this Agreement are for convenience only and shall not affect the construction or application of this Agreement. Words having established technical or trade meanings in the industry shall be so construed. Listings of items shall not be exclusive unless expressly so stated, but shall include other items, whether similar or dissimilar to those explicitly listed, as the context reasonably requires. No rule of construction requiring interpretation against the drafting party shall be applied or given effect. Words of any gender used herein shall be deemed to include words of any other gender; and use of the singular or the plural herein shall include the other, unless context requires otherwise.

APPROVALS

IN WITNESS WHEREOF, we have executed this Agreement as of the _____ day of _____, 20__.

COUNTY
BY: [Signature]
NAME PRINTED: Hon. Hershell Davenport
TITLE: COUNTY JUDGE
DATE: 8/22/08

IHS
BY: [Signature]
NAME PRINTED: Robert Baird
TITLE: President
DATE: 8/11/08

ATTACHMENT A
TO DATA PROCESSING SERVICES AGREEMENT

Re: Data Processing Services Agreement between Indigent Healthcare Solutions Ltd.
Hereinafter called IHS and **Navarro County**, Texas.

The services / programs per Release VII¹ are as follows:

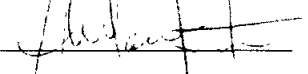
SERVICES / PROGRAMS

- Vendor Management
- Client Management
- Invoice entry for prescriptions
- Invoice entry for anesthesia
- Invoice entry for physician services
- Invoice entry for in-patient care
- Invoice entry for outpatient care
- Monthly updates for Red Book / NDC drug codes
- Annual updates for CPT codes
- Client listings
- Termination listings
- Explanation of benefits (EOB) reporting
- General Ledger totals reports
- Source totals reports
- Pending invoice listings
- Hospital utilization by days
- Amounts paid on clients
- CPT usage reports
- DRG Code Management

This Addendum shall become effective when executed and except as modified herein, all of the terms and conditions of the Data Processing Services Agreement shall remain in full force and effect.

Client: **Navarro County**, Texas

Indigent Healthcare Solutions

By: 

By: 

Name: Hon. Hershell Davenport

Robert Baird

Title: County Judge

President

Date: 8-25-11

Date: 8/11/11

¹ Client shall receive all new software feature updates as available

**ATTACHMENT B TO DATA PROCESSING SERVICE AGREEMENT
NONEXCLUSIVE LICENSE AGREEMENT**

Indigent Healthcare Solutions, Ltd. ("IHS"), with offices located at 2040 North Loop 336, Suite 304, Conroe, Texas 77304, for good and valuable consideration, hereby grants a royalty-free, non-exclusive, limited license ("Licensee") to:

Navarro County

(LICENSEE NAME)

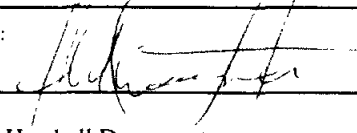
Navarro County Courthouse, Corsicana, Texas 75110

(CITY, STATE, ZIP CODE)

("Licensee") to use certain software programs and related materials ("Programs") for the designated processing system identified in the attached Schedule A, subject to the terms and conditions hereof.

Programs shall include executable modules for each software program identified in any Schedule to this Agreement, one (1) set of user's manuals and related documentation, in machine readable or printed form.

SCHEDULE A				
<u>LICENSED PROGRAM</u>	<u>QUANTITY</u>	<u>MONTHS</u>	<u>LICENSE FEE</u>	<u>INSTALLATION LOCATION</u>
Indigent Health Care	1 User	24	945.00	Indigent Health Care

<p>LICENSEE ACKNOWLEDGES THAT LICENSEE HAS READ THIS LICENSE AGREEMENT, UNDERSTANDS IT AND AGREES TO BE BOUND BY ITS TERMS AND CONDITIONS. LICENSEE FURTHER AGREES THAT THIS AGREEMENT IS THE COMPLETE AND EXCLUSIVE STATEMENT OF THE LICENSE AGREEMENT BETWEEN IHS AND THE LICENSEE AS CONCERNS THE LICENSE OF THE PROGRAMS AND NO VARIATIONS IN THE TERMS AND CONDITIONS OF THIS AGREEMENT SHALL HAVE ANY EFFECT UNLESS AGREED TO IN WRITING IN ADVANCE BY IHS. THIS AGREEMENT SUPERSEDES ANY PROPOSAL OR PRIOR AGREEMENT, ORAL OR WRITTEN, OR ANY OTHER COMMUNICATION BETWEEN IHS AND LICENSEE RELATING TO THIS LICENSE AGREEMENT.</p>	<p>Signed: _____  _____ Hon. Hershell Davenport _____ [print name]</p> <p>Date: _____</p> <p>For Official Use ONLY</p>
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TERMS AND CONDITIONS

1. LICENSE

Licensee acknowledges that it shall be a licensee of Indigent Healthcare Solutions ("IHS") under the terms and conditions of this License Agreement, and that Licensee obtains hereby only a non-exclusive, limited license to use the Programs. Title and all ownership and intellectual property rights in the Programs licensed under this License Agreement remain with IHS and do not pass to Licensee in whole or any part. Licensee acknowledges that the Programs contain valuable proprietary information and trade secrets, the unauthorized disclosure of which would cause competitive and actual harm to IHS. For the purposes of this License, the term "Programs" shall include, any and all software or other intellectual property licensed for use by Licensee hereunder, as identified in Schedule A hereto, including also any and all documentation or other materials in whatever form and on whatever media stored, that describe, relate to or concern the Programs.

Licensee may not transfer the Programs electronically from one computer to another over a network or by other means, or access and use the Programs by remote means other than as expressly authorized herein; and the Programs may be installed on only one (1) computer or server at any given time. Licensee is licensed to use the Program solely for the internal purposes of its own business. Licensee agrees that Licensee will not permit the Programs to be used either directly or indirectly by Licensee's employees or any other person or entity through a timesharing service, service bureau arrangement or otherwise.

Licensee may not grant sublicenses or other rights in the Programs to others, or assign or transfer this license to any third party. Licensee may not grant, allow or provide access to the Programs to, or use of the Programs by, unauthorized third parties.

Licensee shall comply strictly with the provisions of any IHS or third party license or other agreement regarding or applicable to any third party intellectual property, including without limitation applications, operating systems, or other software of any kind, or documentation thereof, utilized by Licensee in its use of the Programs, or by IHS in the provision of any services to Licensee related to or depending on the Programs.

IHS shall have the right immediately to terminate this

License if Licensee violates any of its provisions.

Licensee recognizes and agrees that the Programs and all portions, reproductions, modifications and improvements thereof, whether provided to Licensee by IHS or by any third party, (i) are considered by IHS to be confidential and trade secrets; (ii) are provided to Licensee in strictest confidence; and (iii) are and remain the exclusive property and proprietary information of IHS. Title and full ownership rights, including copyrights or patents, in the Programs and any modifications or improvements provided or developed by IHS or on its behalf are and shall remain the sole property of IHS or, if licensed to IHS, of the relevant licensor as the relevant license may provide; and Licensee acquires no ownership, rights, title or other interest in or to the Programs hereunder other than as expressly provided. Licensee is not granted the right to create derivative works to the Programs; but any and all derivative works of the Programs, if and by whomever created, shall be the sole property of IHS or IHS' licensor, as the case may be.

Licensee agrees not remove or destroy any copyright, trademark, patent, or other designations or notices, or other proprietary or confidential legends or markings placed upon or contained within the Programs, or from any copies thereof.

2. TERM

This license shall be in effect from the date of execution of the associated IHS Data Processing Services Agreement until termination of that Services Agreement, or until termination of this License as specified herein, whichever is earlier, unless otherwise expressly agreed in writing by IHS.

Upon termination or expiration of this License on any basis, all rights of Licensee and obligations of IHS hereunder shall immediately terminate. Licensee shall nonetheless have a continuing obligation to maintain the confidentiality of IHS' proprietary information, to return or destroy all copies of the Programs as required herein, to indemnify IHS as provided hereunder, and to pay any fees or costs accrued and owing hereunder or under the Services Agreement as of such termination.

3. PAYMENTS

All license fees and any first year support fees, along with any installation and training fees, whether

specified herein or in an associated contract for services by IHS, shall be paid to IHS upon mutual execution of this License Agreement. Any other sums due hereunder shall be payable within ten (10) days of Licensee's receipt of IHS' invoice therefor. Any past due amounts shall bear interest from the date when due until paid at the highest rate allowable by law. All payments due hereunder shall be made in lawful money of the United States of America, and shall be made to IHS at its address specified above or at such address as may from time to time be designated by IHS in writing. In addition to the fees, charges, expenses and other amounts due and payable under this License Agreement, Licensee shall pay any and all local, state, federal, and other sales, use, excise, privilege or gross receipts taxes and duties, tariffs, assessments or levies, however designated, assessed or levied, resulting from this License or any activities conducted hereunder (exclusive of taxes based on IHS' net income); provided, that if Licensee claims legal exemption from any tax or taxes, such as sales tax, it shall promptly provide IHS with a copy of the applicable tax exemption certificate.

4. SECURITY AND CONFIDENTIALITY; NO REPRODUCTION; RIGHT TO INJUNCTIVE RELIEF

Licensee shall take all reasonable steps necessary to ensure that the Programs, or any portion thereof, that are stored, written or recorded on magnetic tape, disk or memory or in any other form, are not made available by the Licensee or by any of its employees, agents or representatives to any organizations or individuals not licensed hereunder to make use thereof. Licensee recognizes the proprietary nature of the Programs and agrees as follows:

- a. To use the Programs solely at the place of installation specified in this License Agreement.
- b. To make no copies or duplicate the Programs or any component thereof by any means for any purpose whatsoever without prior written consent of IHS, except as may reasonably be required for archival or security storage purposes.
- c. To instruct its employees having access to the Programs not to copy or duplicate the Programs and not to provide same to any third party, and to enforce these requirements.
- d. To effect security measures that are reasonably calculated to safeguard the Programs from theft or unauthorized access.
- e. To maintain and reproduce IHS' copyright

notice and any other notices, legends or designations on all materials or copies related to or part of the Programs on which IHS displays such copyright or other notice, legend or designation, including any copies made pursuant to this License Agreement.

- f. Licensee shall not copy, reproduce, reverse assemble, reverse compile, compare, modify, merge, transfer or distribute the Programs or allow any other person to do so in any way or manner without the prior written authorization of IHS.

g. CONSENT TO INJUNCTION AND WAIVER OF LEGAL RIGHTS

Any modifications or enhancements to the Programs, or any other Program-related material provided by IHS to the Licensee, shall be subject to all conditions and restrictions contained in this Agreement. Licensee acknowledges that IHS has gone to considerable time, trouble and expense to develop the Programs and that IHS would suffer great and irreparable harm and damage, including competitive disadvantage, by any unauthorized copying, reproduction, dissemination, or other unauthorized use of the Programs. Licensee further acknowledges that such action may cause significant commercial damages to IHS which may be difficult or impossible to quantify. Therefore, Licensee agrees that, in addition to any other legal or equitable remedy available to IHS, IHS shall be entitled to equitable relief including but not limited to temporary restraining orders entered without notice to Licensee or a prior opportunity for Licensee to defend, and preliminary and permanent injunctions, to compel strict compliance with the terms of this License. Licensee hereby expressly waives any right it may have to require IHS to post a bond or other security as a prerequisite to obtaining equitable or legal relief, or to request to a court of competent jurisdiction that a bond be imposed for any such relief. Licensee also waives any right to proof of actual or impending actual damage as a prerequisite to IHS obtaining equitable relief.

5. LIMITATION OF LIABILITY

IHS' liability for damages to Licensee, its employees, officers, elected officials, agents or representatives for any cause, claim or action of any kind or character

whatsoever related to this License or arising from or related to the use of the Programs by or on behalf of Licensee, and regardless of the form of action, whether in contract or in tort including negligence, shall be strictly limited. This limitation of liability will not apply to claims for patent and copyright infringement. Notwithstanding anything herein to the contrary, in no event will IHS be liable for any lost profits, lost savings, or other actual, special, incidental or consequential damages, or for punitive or exemplary damages, even if IHS has been made aware of the possibility of such damages, or for any claim against Licensee, its employees, officers, elected officials, agents or representatives by any other party, arising or made in connection with the delivery, installation, testing, use, performance or nonperformance of the Programs, or any act or failure to act of IHS, arising out of, related to or in connection with the delivery, installation, testing, use, performance or nonperformance of the Programs, or IHS' performance or nonperformance under or related to this License Agreement.

6. TERMINATION

Upon termination of the License for any reason, Licensee shall promptly uninstall, delete or otherwise permanently remove all copies of the Programs from any and all computers and storage devices on which a copy may reside (hereinafter, "delete"); and deliver to IHS all copies of the Programs including all materials related thereto that are in Licensee's possession or under its control, whether provided by IHS hereunder, or copied or created by Licensee or its employees, agents or representatives, in whatever form made, recorded or stored, together with all portions, reproductions, and modifications thereof, pertaining to the Programs; and shall also warrant to IHS that all copies thereof have been destroyed or returned to IHS as required hereunder. Within ten (10) days of request by IHS, Licensee shall certify in writing to IHS that, to the best of Licensee's knowledge, the original and all copies, in whole or part, of the Programs including all related materials and copies have been deleted, destroyed or returned to IHS. In addition, all documentation, listings, notes or other written material pertaining to the Programs shall be returned to IHS or deleted or destroyed and so certified.

IHS shall have the right to terminate this License Agreement, by giving written notice of such termination to Licensee, in the event that the Licensee (i) fails to pay IHS in full any sums due and payable hereunder within ten (10) days after their due date, (ii) fails to

comply fully with any of the Licensee's obligations hereunder with respect to proprietary information or confidentiality, or (iii) fails to perform or comply fully with any other material term or obligation set forth in this License Agreement. IHS' right of termination shall be in addition to any other right or remedy it may have at law or in equity.

This License shall immediately and automatically terminate upon any offer or attempt of Licensee to: assign, sublicense or otherwise transfer it in whole or part, or any rights granted herein, to any third party, or to assign, condition or avoid any obligations imposed herein, without the express written consent of IHS; or upon any such assignment or transfer, condition or avoidance, or right or option thereto, of any kind, actual or constructive, whether by operation of law, lawful order or otherwise, including without limitation appointment of a receiver or a trustee in bankruptcy or an assignment in favor of Licensee's creditors.

IHS reserves the right immediately to terminate this License if any claims for copyright or patent infringement, or infringement or misappropriation of any intellectual property rights, or for unfair competition or trade practices or other misuse, relating to the Programs or any part thereof, are asserted against IHS, any relevant IHS licensor, or Licensee or any of Licensee's employees, officers, agents or representatives. Such determination shall be in the sole discretion of IHS. Termination on this basis shall be effective on notice in writing to Licensee by IHS, stating the reason for such termination.

7. NO WARRANTY

IHS PROVIDES THE PROGRAM TO LICENSEE "AS IS". IHS MAKES NO WARRANTIES EITHER EXPRESS OR IMPLIED, AS TO ANY MATTER WHATSOEVER, INCLUDING, WITHOUT LIMITATION, THE CONDITION OR FUNCTIONALITY OF THE PROGRAMS, THEIR MERCHANTABILITY, OR THEIR FITNESS FOR USE FOR ANY PARTICULAR PURPOSE. IHS DOES NOT WARRANT THAT THE FUNCTIONS CONTAINED OR PROVIDED IN THE PROGRAMS WILL MEET THE LICENSEE'S REQUIREMENTS OR THAT THE OPERATION OF THE PROGRAMS WILL BE UNINTERRUPTED OR ERROR FREE, OR THAT THE PROGRAMS OR THEIR OPERATIONS OR OUTPUT PRODUCTS OR FILES WILL BE FREE FROM VIRUSES, WORMS, TROJAN HORSES OR OTHER HARMFUL AGENTS. IHS DOES NOT WARRANT, AND EXPRESSLY

DISCLAIMS, ANY AND ALL RESPONSIBILITY FOR THE ACCURACY OF ANY INFORMATION OR DATA PROVIDED BY LICENSEE FOR USE WITH OR BY THE PROGRAMS, OR ON WHICH THE PROGRAMS OPERATE.

8. INDEMNIFICATION

IHS agrees to indemnify Licensee and to hold it harmless from any damages finally awarded as result of any claim of infringement of a United States patent or copyright asserted against Licensee by reason of Licensee's authorized use of the Programs as delivered by IHS; provided, that IHS is given prompt notice by Licensee in writing of any such claim and the right to defend or settle, at IHS' expense and in its sole discretion, any such claims; and further provided, that Licensee fully cooperates with IHS in connection with the defense or settlement of such claims. IHS shall not be obligated to defend such claims but may do so at its sole election.

TO THE EXTENT PERMITTED BY LAW, LICENSEE AGREES TO INDEMNIFY AND HOLD HARMLESS IHS, ITS OFFICERS, DIRECTORS, EMPLOYEES, AGENTS AND REPRESENTATIVES, AND ITS THIRD PARTY LICENSORS, IF ANY, WHICH PROVIDE OR LICENSE TO IHS ANY SOFTWARE OR OTHER PRODUCTS OR MATERIALS USED BY IHS IN THE PROVISION OF THE SERVICES CALLED FOR IN THE ASSOCIATED DATA PROCESSING SERVICES AGREEMENT, OR LICENSED HEREUNDER BY IHS, FOR ANY AND ALL CLAIMS OF INTELLECTUAL PROPERTY INFRINGEMENT, INCLUDING BUT NOT LIMITED TO COPYRIGHT, TRADEMARK, OR PATENT INFRINGEMENT, OR FOR UNFAIR COMPETITION, OR FOR MISAPPROPRIATION OR UNAUTHORIZED DISCLOSURE OF TRADE SECRETS OR OTHER PROPRIETARY OR CONFIDENTIAL INFORMATION, WHERE SUCH CLAIM, IN WHOLE OR PART, ARISES FROM OR IS ASSERTED TO BE A RESULT OF THE ACTS OR OMISSIONS OF LICENSEE, ITS OFFICERS, ELECTED OFFICIALS, EMPLOYEES, AGENTS OR OTHER REPRESENTATIVES, AND WHERE SUCH ALLEGED ACTS OR OMISSIONS DO NOT COMPLY STRICTLY WITH, OR ARE INCONSISTENT WITH, THE TERMS AND CONDITIONS OF THIS LICENSE AGREEMENT, OR WITH THE TERMS AND CONDITIONS OF ANY IHS OR THIRD PARTY LICENSE OR OTHER AGREEMENT APPLICABLE TO INTELLECTUAL

PROPERTY UTILIZED BY LICENSEE IN ITS USE OF THE PROGRAMS. OR UTILIZED BY IHS IN THE PROVISION OF SERVICES TO LICENSEE RELATED TO OR DEPENDENT ON THE PROGRAMS. FOR THE PURPOSES OF THIS PROVISION, "INTELLECTUAL PROPERTY" SHALL INCLUDE ANY AND ALL INTELLECTUAL PROPERTY, INCLUDING WITHOUT LIMITATION DATA BASES, APPLICATIONS, OPERATING SYSTEMS OR OTHER SOFTWARE OF ANY KIND, AND ANY DOCUMENTATION THEREOF.

9. REMEDIES

Licensee acknowledges and agrees that because of the unique nature of the Programs irreparable harm to IHS will be caused by a breach by Licensee of its obligations under this License Agreement, that monetary damages will be inadequate to compensate IHS for such harm, and that injunctive relief directed against Licensee and in favor of IHS is an appropriate remedy to enforce the provisions of this License. Such injunctive or other equitable relief shall be cumulative of and shall not preclude or waive any other relief or remedies at law or in equity to which IHS may be entitled.

Licensee's exclusive remedy hereunder is termination of this License Agreement.

10. MISCELLANEOUS

- a. **Assignment.** Licensee's rights in and to the Programs granted in this License may not be assigned, sublicensed, or transferred voluntarily by Licensee or by operation of law or otherwise, without IHS' prior written consent and the execution of a new License Agreement.
- b. **Notices.** Any notice to be delivered pursuant to this License Agreement shall be deemed delivered upon service, if served personally, or three (3) days after deposit in the United States mail if mailed by first class mail, postage prepaid, registered or certified, and addressed to the person designated for receipt of notice hereunder, at the address set forth on the first page of this License Agreement or at such other address as shall be specified from time to time in writing by the receiving party.
- c. **Enforcement.** In the event that any provision of this License Agreement is determined to be

invalid or unenforceable, the remainder of this License Agreement shall be valid and enforceable to the maximum extent permitted by applicable law.

d. **Exclusive Agreement; Modification.** This License Agreement constitutes the complete and exclusive statement of the agreement of the parties relative to the licensing of use of the Programs, and supersedes all oral or written proposals or understandings concerning such subject matter. This License Agreement may be modified only pursuant to a writing executed by both parties. Should Licensee elect to issue a purchase order or any similar document for its own internal purposes, this License Agreement shall control any conflict between the terms and conditions of the said order form.

e. **Public Information Act request.** Should Licensee receive a request under the Texas public information (open records) act for disclosure, access to, or copying of any proprietary information provided by or belonging to IHS or any of its licensors, including but not limited to disclosure of, access to, or a copy of the Programs or any part thereof, Licensee shall immediately notify IHS, including notice in writing and a copy of the said request, so that IHS may determine what steps it may wish to take to protect such information. Unless IHS expressly states to Licensee in writing that it wishes to forgo seeking exemption or exception from such disclosure, Licensee shall have the duty hereunder timely to take all required steps to initiate the process by which to request an opinion from the Texas Attorney General concerning whether such information must be disclosed. Thereupon, Licensee shall promptly notify IHS that such request has been made by Licensee, so that IHS may, at its option and to the extent permitted by law, supplement Licensee's request.

In the event that disclosure is ultimately required, Licensee shall provide to the recipient, along with access to or any copies of such disclosed materials, a notice that the materials are owned by or licensed to IHS, are protected under the federal Copyright Act and

other laws, and that recipient is not by virtue of disclosure under the Texas Public Information Act (or any successor statute) thereby authorized to use, copy, or disseminate the materials without the express written consent of IHS; and that any unauthorized use, copying or dissemination may constitute a violation of federal copyright or other laws, and could therefore subject the recipient or others to civil or criminal penalties.

FAILURE OF LICENSEE TO COMPLY FULLY WITH THE OBLIGATIONS OF THIS SUBSECTION SHALL BE A MATERIAL BREACH OF THIS LICENSE AGREEMENT AND SHALL CONSTITUTE GROUNDS FOR THE IMMEDIATE TERMINATION OF THIS LICENSE AGREEMENT BY IHS, WITHOUT PENALTY THEREFOR OR FURTHER OBLIGATION TO LICENSEE. Such termination shall not relieve Licensee from the obligation to pay any outstanding fees or costs hereunder, or other obligations hereunder that survive termination.

f. **Costs; Attorneys Fees.** In the event any action is brought by IHS to enforce this License Agreement, IHS shall be entitled to recover its costs of enforcement including, without limitation, attorneys' fees and court costs.

g. **Survivability.** The obligations set forth herein shall survive any termination of this License Agreement.

h. **Governing Law.** This License Agreement shall be governed by and enforced in accordance with the laws of the State of Texas, its choice of laws provisions excepted.

i. **Forum Selection.** Any suit brought by or against IHS under, concerning or related to this License Agreement may be brought only in the State of Texas and jurisdiction and venue for any action arising under or concerning this License Agreement or the related Data Processing Services Agreement shall be and lie exclusively in Travis County, Texas state courts or the federal courts of the Western District of Texas, Austin Division.

j. No Waiver of Rights

No term or provision of this Agreement shall be deemed to be waived and no consent to any breach or default shall be deemed unless such waiver or consent be in writing signed by the party against which such waiver or consent is asserted; the terms of this Agreement shall not be deemed to be amended by any such waiver or consent unless in a writing expressly stating such amendment; and any waiver by either party, whether express or implied, shall not imply a consent or waiver of any term or provision on any other occasion, or any consent to any different breach or default.

items shall not be exclusive unless expressly so stated, but shall include other items, whether similar or dissimilar to those explicitly listed, as the context reasonably requires. No rule of construction requiring interpretation against the drafting party shall be applied or given effect. Words of any gender used herein shall be deemed to include words of any other gender, and use of the singular or the plural herein shall include the other, unless context requires otherwise.

k. Construction

Descriptive headings or captions in this License Agreement are for convenience only and shall not affect the construction or application of this License Agreement. Words having established technical or trade meanings in the industry shall be so construed. Lists of

l. Cooperation

Licensee shall cooperate fully with IHS in the maintenance and protection by IHS of any intellectual property ownership or other rights or interest of IHS in the Programs or other intellectual property or interests therein that are the subject matter of this License.

APPROVALS

IN WITNESS WHEREOF, we have executed this License Agreement as of the ____ day of _____, 2008.

Navarro County, Texas

BY: [Signature]
NAME PRINTED: Hon. Hershel Davenport
TITLE: County Judge
DATE: 5 23 08

IHS

BY: [Signature]
NAME PRINTED: Robert Baird
TITLE: President
DATE: 8/11/08

**** Addendum to Data Processing Services Agreement ****

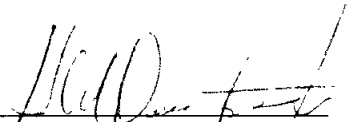
In accordance with the Terms and Conditions of the Data Processing Services Agreement Contract between **Navarro County**, Texas and Indigent Healthcare Solutions Ltd, (IHS), this Addendum shall document the addition, upgrade, and / or modification in services, hardware ownership, maintenance and monthly billing to **Navarro County** for Indigent Health Care Services.

For the monthly consideration of \$100.00, IHS shall install and update the automated Red Book™ codes for the Navarro County.

This Addendum shall become effective when executed and except as modified herein, all of the Terms and Conditions of the aforementioned Data Processing Services Agreement shall remain in full force and effect.

Navarro County, Texas

Indigent Healthcare Solutions Ltd.



Hon. Hershell Davenport
County Judge



Robert Baird
President

Date: 5 24 08

Date: 8/11/08

**** CPT Addendum to Data Processing Services Agreement ****

In accordance with the Terms and Conditions of the Data Processing Services Agreement between **Navarro County**, Texas herein after referred to as "Client" and Indigent Healthcare Solutions Ltd., this Addendum shall document IHS' licensing to Client updated versions of the Physicians' Current Procedural Terminology CPT™ codes a product of the American Medical Association (AMA), a coding work of nomenclature and codes for the reporting of physician services.

For the consideration of \$10.00 per concurrent user, per month, IHS will install and update the most recent CPT™ codes for the Client Indigent Health Care Office.

Concurrent Users 1

Monthly License \$10.00

CPT™ codes are a copyrighted product of the American Medical Association (AMA). All notices of proprietary rights, including trademark and copyright in CPT must appear on all permitted back up copies

This Addendum is nontransferable, nonexclusive, and is for the sole purpose of internal use by Client, and only in the United States.

CPT™ codes may not be used in any public electronic bulletin board, or public computer based information system (including the Internet and World Wide Web unless subject to the provisions of this Addendum).

Client may not create a derivative product of the CPT™ codes and selling, leasing or licensing it or otherwise making the Electronic Product or any portion thereof available to any unauthorized party.

Client may only make copies of the Electronic Product for back up and / or archival purposes.

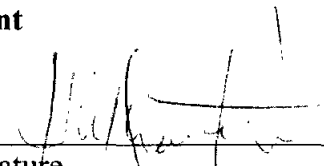
Client should ensure that anyone who has authorized access to the electronic product complies with the provisions of this agreement and the Non Exclusive License Agreement.

**** CPT Addendum to Data Processing Services Agreement ****

If any provision of this Addendum is determined to violate any law or is unenforceable the remainder of the Addendum shall remain in full force and effect.

This Addendum shall become effective when executed and except as modified herein, all of the Terms and Conditions of the aforementioned Data Processing Services Agreement shall remain in full force and effect.

Client



Signature

Hon. Hershell Davenport

8-25-08

Date

Indigent Healthcare Solutions



Signature

Robert Baird

8/11/08

Date

AMENDMENT TO DATA PROCESSING SERVICES AGREEMENT

This is an amendment ("Amendment") to the Data Services Processing Agreement ("DPSA") by and between Indigent Healthcare Services, Ltd. ("IHS") and Navarro County ("County"), effective upon execution through the period ending October 1, 2010.

IHS offers to provide, and County desires to obtain, the additional services described in this Amendment, for which the parties agree as follows:

1. MEDICAID ENROLLMENT STATUS SERVICE

(a) For each Texas Indigent Health Care Act ("Act") client or potential client of County designated by County ("Status Subject"), IHS will determine whether the Status Subject is currently enrolled to receive federal Medicaid assistance ("Medicaid Eligibility Status Services").

(b) County is responsible for providing information regarding Status Subject ("Status Subject Information") that is necessary for the enrollment status determination; IHS is not responsible for collecting or verifying Status Subject Information, or for the accuracy of the Status Subject Information provided by County. The Status Subject Information provided by County for each Status Subject shall include the information identified in **Attachment A** hereto, and such other information or data as may be necessary or appropriate to the provision of such Service from time to time.

(c) Based on the Status Subject Information, IHS will determine by inspection of appropriate Medicaid or other third-party records whether Status Subject is enrolled to receive Medicaid assistance, and will report such status to County within 5 business days of a request by County for such determination.

(d) The fee for the Medicaid Enrollment Status Service shall be 50 cents (\$0.50) per determination per Status Subject. Each distinct determination by IHS of a Status Subject's enrollment status shall be considered a separate status service transaction for billing purposes, whether such distinct determinations are a result of requests made by County at different times; sequential requests made by County because previously provided Subject Information was inaccurate, incomplete or otherwise inadequate to permit an enrollment status determination by IHS; or any other reason not the fault of IHS;

(e) IHS will invoice County monthly for Medicaid Enrollment Status Services. Payment by County shall be due at IHS's offices at 2040 North Loop 336, Suite 304, Conroe, Texas 77304, no later than thirty (30) days from the date of the invoice. Failure of County timely to remit payment in full may result in suspension or termination by IHS of this service, at IHS's sole option.

2. NO THIRD-PARTY BENEFICIARIES

(a) THIS AGREEMENT IS NOT INTENDED TO BE, AND SHALL NOT BE OR BE CONSTRUED TO BE, A THIRD-PARTY BENEFICIARY CONTRACT. NO ENROLLMENT SUBJECT IS INTENDED BY EITHER PARTY TO BE, OR SHALL BE, A THIRD-PARTY BENEFICIARY OF THE MEDICAID ENROLLMENT STATUS SERVICE PROVIDED TO COUNTY HEREUNDER

66

(b) Both parties recognize and agree that County may financially benefit in the form of saved or avoided financial obligations to persons otherwise qualified to be County Indigent Health Care Act clients if such persons are eligible to receive, and are enrolled and do receive, Medicaid assistance. The services to be provided by IHS to County hereunder are intended to be, and are, solely to assist County with regard to meeting its obligations to provide indigent or other health care to county residents under applicable Texas law, and, where feasible, to conserve limited County financial resources available for such purposes by identifying persons eligible for alternative financial and medical assistance under the Medicaid program.

(c) IHS's agreement to provide the services hereunder is solely with County and for its benefit, and IHS's sole obligations hereunder are to County. Any benefit, direct or indirect, that may be conferred on or realized by a Status Subject by reason of or resulting from the Enrollment Status Service provided by IHS to County is purely incidental to IHS's performance of services to County hereunder.

(d) That there are and will be no third-party beneficiaries to this Amendment is a material element of the Amendment, and is a material inducement to IHS to enter into this agreement for services and to provide such services to County, without which IHS would not have agreed to provide such services.

3. TERM; TERMINATION

(a) This Amendment shall have a term commensurate with the term of the DPSA unless earlier terminated under subsection (b) below; and shall terminate automatically and simultaneously upon termination of the DPSA for any reason, unless otherwise agreed in writing by the parties

(b) This Amendment may be terminated by either party at any time by giving at least sixty (60) days' written notice to the other; provided, that if any change in relevant law or regulation makes the service unlawful or would subject either party to potential legal liability of any kind, or would impose on either party legal duties or consequences that, in the sole judgment of that party, render the Service undesirable or infeasible, this Agreement may be terminated immediately. Termination by either party shall not, however, relieve County of its obligation to pay for services rendered prior to the termination, and fees accrued.

(c) If County terminates this Amendment for any reason, any Medicaid Enrollment Status Service begun by IHS for any Status Subjects as of the date termination notice is received by IHS, IHS shall complete determination of the enrollment status of such Status Subjects, and County shall be responsible for the fee for that service for each such Status Subject.

(d) If IHS terminates this Amendment for any reason,

(i) IHS shall complete any Medicaid Enrollment Status Service requests made by County before the date of termination stated in the termination notice, and County shall remain responsible for associated applicable fees; but

(ii) IHS shall not be required to accept any additional service requests after the time termination notice is given by IHS.

4. DISCLAIMER OF WARRANTIES

IHS EXPRESSLY DISCLAIMS ANY AND ALL WARRANTIES REGARDING THE MEDICAID ENROLLMENT STATUS SERVICE THAT ARE NOT EXPRESSLY PROVIDED IN THIS AMENDMENT, INCLUDING BUT NOT LIMITED TO ANY IMPLIED WARRANTIES OF MERCHANTABILITY OR WARRANTIES OF FITNESS OF USE FOR A PARTICULAR PURPOSE. IHS MAKES NO REPRESENTATIONS REGARDING THE FITNESS FOR USE FOR ANY PURPOSE OF ANY INFORMATION OR DATA PROVIDED TO COUNTY BY IHS IN THE RENDERING OF THE SERVICE. NO ADVICE OR REPRESENTATIONS BY IHS OR IHS PERSONNEL SHALL CREATE ANY SUCH WARRANTY. BECAUSE PERFORMANCE OF THE SERVICE BY IHS DEPENDS ON THIRD-PARTY DATA AND PROCESSES, SUCH AS BUT NOT LIMITED TO U.S. GOVERNMENT DATA AND PROCESSES, AND OTHER THIRD-PARTY ASSISTANCE PROVIDED TO IHS, IHS CANNOT AND DOES NOT MAKE ANY WARRANTY THAT THE SERVICE WILL BE ACCURATE, CURRENT, UNINTERRUPTED OR ERROR-FREE; AND IN PARTICULAR DOES NOT WARRANT THAT ANY INFORMATION OR DATA ACCESSED BY IHS IN THE PROVISION OF THE SERVICES OR PROVIDED BY IHS TO COUNTY THROUGH THE SERVICE WILL BE ACCURATE OR CURRENT.

5. DISCLAIMER AND LIMITATION OF LIABILITY

NEITHER IHS NOR ANY OF ITS OFFICERS, EMPLOYEES, OWNERS OR OTHER PRINCIPALS, AGENTS OR REPRESENTATIVES, NOR ANY AFFILIATED, PARENT OR SUBSIDIARY ENTITIES, SHALL BE LIABLE FOR ANY DIRECT, INDIRECT, SPECIAL, CONSEQUENTIAL, INCIDENTAL, PUNITIVE OR EXEMPLARY DAMAGES THAT RESULT OR ARISE FROM COUNTY'S USE OF THE SERVICE OR ANY DATA OR INFORMATION PROVIDED BY IHS. COUNTY'S SOLE REMEDY FOR BREACH OF THIS AMENDMENT AGREEMENT BY IHS SHALL BE TERMINATION AS PROVIDED HEREIN.

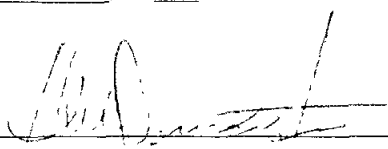
6. OTHER TERMS OF DATA PROCESSING

The provisions of the DPSA shall apply to the Services to be provided by IHS hereunder, except to the extent any such DPSA provision conflicts with an express provision of this Amendment, in which case the provision in this Amendment shall control.

[This space intentionally left blank.]

APPROVALS

IN WITNESS WHEREOF, we have executed this Agreement as of the 5 day of August, 2011

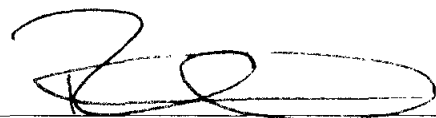
BY: 

COUNTY

NAME PRINTED: Hon. Hershell Davenport

TITLE: County Judge

DATE: 8/23/11

BY: 

IHS

NAME PRINTED: Robert Baird

TITLE: President

DATE: 8/11/11

ATTACHMENT A

To Amendment to Data Processing Services Agreement

**Name
Address
Telephone
Gender
Date of Birth
Social Security Number
Amount Paid for Fiscal Year
Client Number
Beginning Eligibility Date
Ending Eligibility Date**

DATE	I.D.	PO #	DESCRIPTION	G/L DISTRIBUTION	AMOUNT
08/15/2008	200808149180		EMT FROM HOUSING AUTHORITY	100-000-211.33	2,023.90
LIEU OF TAXES					

70

CHECK TOTAL 2,023.90

PLEASE DETACH STUB BEFORE DEPOSITING

SECURITY WARNING: THE FACE OF THIS DOCUMENT FEATURES A COLORED BACKGROUND AND MICROPRINT BORDERS - THE REVERSE SIDE FEATURES ARTIFICIAL WATERMARKS



CITY OF CORSICANA

200 N 12th ST
CORSICANA, TX 75110

POOLED OPERATING FUND

JPMorgan Chase
Dallas, TX 75201

3241
1170

BANK	VENDOR NUMBER	DATE	CHECK NUMBER	NET AMOUNT
43	20-3593	08/15/2008	632107	\$2,023.90

VOID AFTER 90 DAYS

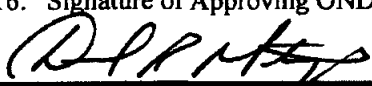
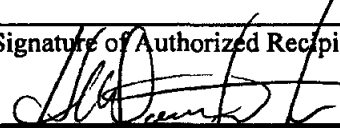
---- TWO THOUSAND TWENTY THREE & 90/100 DOLLARS ----

PAY TO THE ORDER OF
 NAVARRO COUNTY TAX ACCESSOR
 RUSSELL P HUDSON
 300 W 3RD
 CORSICANA, TX 75110

Cathy McMullen
[Signature]

VOID AFTER 90 DAYS

⑈632107⑈ ⑆111000614⑆ ⑈717973259⑈

Executive Office of the President Office of National Drug Control Policy		AWARD Grant	Page 1 of 1
1. Recipient Name and Address Judge H. M. Davenport Navarro County Sheriff's Office 300 W. 3rd Avenue Corsicana, TX 75110		4. Award Number: I8PNT501Z	
		5. Project Period: 01/01/2008 to 12/31/2009 Budget Period: 01/01/2008 to 12/31/2009	
1A. Recipient IRS/Vendor No. 1756001092A1	6. Date: 07/23/2008	7. Action	
2. Subrecipient Name and Address	8. Supplement Number 1	<input type="checkbox"/> Initial	
		<input checked="" type="checkbox"/> Supplemental	
2A. Subrecipient IRS/Vendor No.	9. Previous Award Amount	\$2,210,757.00	
3. Project Title Multiple Initiative(s)	10. Amount of This Award	\$77,000.00	
	11. Total Award	\$2,287,757.00	
12. Special Conditions The above grant is approved subject to such conditions or limitations as are set forth in the original Grant.			
13. Statutory Authority for Grant: Public Law 110-161			
AGENCY APPROVAL		RECIPIENT ACCEPTANCE	
14. Typed Name and Title of Approving ONDCP Official David R. Murtaugh Office of National Drug Control Policy		15. Typed Name and Title of Authorized Recipient Official Judge H. M. Davenport Navarro County Sheriff's Office	
16. Signature of Approving ONDCP Official 		17. Signature of Authorized Recipient 	
		Date 8-25-08	
Agency Use Only			
18. Accounting Classification Code DUNS: 071371363 EIN: 1756001092A1		19. HIDTA AWARD	