

NAVARRO COUNTY COMMISSIONER'S COURT

A SPECIAL MEETING OF THE NAVARRO COUNTY COMMISSIONER'S COURT WAS HELD ON MONDAY, 27TH DAY OF OCTOBER, 2008 AT 10:00 A.M., IN THE NAVARRO COUNTY COURTHOUSE, CORSICANA, TEXAS. PRESIDING JUDGE H.M. DAVENPORT, COMMISSIONERS PRESENT KIT HERRINGTON, FAITH HOLT, WILLIAM BALDWIN, AND JAMES OLSEN.

1. 10:00 A.M. MOTION TO CONVENE BY BALDWIN SEC BY OLSEN
ALL VOTED AYE
2. PRAYER BY JUDGE DAVENPORT
3. PLEDGE OF ALLEGIANCE
4. PUBLIC COMMENTS- KIM MARTINEZ-NOVEMBER ADOPTION
AWARENESS MONTH COUNTY TO DISPLAY FIGURES ON LAWN,
GROVER PEARSON-UNIFORMS

CONSENT AGENDA

MOTION TO APPROVE ITEMS 5-6 BY BALDWIN SEC BY HERRINGTON
ALL VOTED AYE MOTION CARRIED

5. MOTION TO APPROVE THE MINUTES FROM THE PREVIOUS
MEETING OF OCTOBER 10, 2008 & SEPTEMBER 25, 2008
6. MOTION TO APPROVE AND PAY BILLS AS SUBMITTED BY THE
COUNTY AUDITOR

REGULAR AGENDA ITEMS

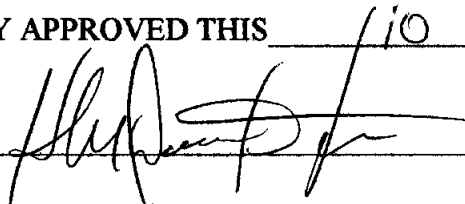
7. MOTION TO APPROVE RESOLUTION FOR CASA TO BRING PUBLIC
AWARENESS THAT NOVEMBER IS NATIONAL ADOPTION MONTH BY
HOLT SEC BY OLSEN **TO WIT PG 211**
ALL VOTED AYE MOTION CARRIED
8. MOTION TO APPROVE WATER LINE EASEMENT FOR L S POWER
BY JUDGE DAVENPORT SEC BY HOLT
TO WIT: NO EASEMENT FILED AT TIME OF COURT
ALL VOTED AYE MOTION CARRIED
9. MOTION TO APPROVE TREASURER'S REPORT BY OLSEN SEC BY
BALDWIN **TO WIT PG 212**
ALL VOTED AYE MOTION CARRIED

10. MOTION TO APPROVE LOCAL HEALTH AUTHORITY BY APPOINTING DR. KENT ROGERS BY JUDGE DAVENPORT SEC BY HERRINGTON
ALL VOTED AYE MOTION CARRIED
11. MOTION TO APPROVE RESOLUTION AUTHORIZING COUNTY GRANT-TEXAS DEPARTMENT OF AGRICULTURE HOME-DELIVERED MEAL GRANT PROGRAM-TEXANS FEEDING TEXANS BY HOLT SEC BY HERRINGTON
TO WIT PG 213
ALL VOTED AYE MOTION CARRIED
12. MOTION TO APPROVE DECLARING 40' FEET OF OLD BRIDGE TIMBERS SALVAGE BY PRECINCT #1 BY HERRINGTON SEC BY OLSEN
ALL VOTED AYE MOTION CARRIED
13. MOTION TO APPROVE OF DONATING 40' FEET OF OLD BRIDGE TIMBERS ON BEHALF OF CORSICANA PRESERVATION FOUNDATION FOR PETROLEUM PARK, THE HISTORICAL SOCIETY, AND THE POWELL JAIL TO SKIRT THE JAIL IN PETROLEUM PARK BY HERRINGTON SEC BY BALDWIN
ALL VOTED AYE MOTION CARRIED
14. MOTION TO APPROVE SPECIFIC USE PERMIT #08-398 FOR XTO ENERGY, INC. THIS REQUEST IS FOR AN OIL/GAS WELL (BOYD FARMS GAS UNIT) TO BE LOCATED ON FM 2859 BY HOLT SEC BY HERRINGTON
ALL VOTED AYE MOTION CARRIED
15. MOTION TO APPROVE VARIANCE ON SPECIFIC USE PERMIT # 08-374 FOR MIKE THURMAN. THIS REQUEST IS FOR AN INCREASE IN THE SIZE OF THE PERMITTED STRUCTURE BY HOLT SEC BY BALDWIN
ALL VOTED AYE MOTION CARRIED
16. MOTION TO APPROVE SPECIFIC USE PERMIT # 08-397 FOR TESLA EXPLORATION, INC. THIS REQUEST IS FOR SEISMIC TESTING TO BE ALONG THE PORTION OF S HWY 287 THAT IS INCLUDED IN THE NAVARRO COUNTY ZONING JURISDICTION OF NAVARRO COUNTY BY BALDWIN SEC BY HERRINGTON
ALL VOTED AYE MOTION CARRIED
17. MOTION TO APPROVE RELEASE OF LETTERS OF CREDIT #1135 AND #1136 BY HOLT SEC BY BALDWIN
ALL VOTED AYE MOTION CARRIED

18. MOTION TO APPROVE COUNTY QUARTERLY INVESTMENT REPORT FOR QUARTER ENDING SEPTEMBER 30, 2008 BY OLSEN SEC BY HOLT ALL VOTED AYE MOTION CARRIED TO WIT PG 214-216
19. MOTION TO APPROVE RESOLUTION TO PARTICIPATE IN THE 2009 INDIGENT DEFENSE GRANT PROGRAM JUDGE DAVENPORT SEC BY HERRINGTON TO WIT PG 217 ALL VOTED AYE MOTION CARRIED
20. MOTION TO APPROVE INTER-LOCAL AGREEMENT WITH REGION 4 EDUCATIONAL SERVICE CENTER FOR COOPERATIVE PURCHASING BY OLSEN SEC BY HOLT TO WIT PG 218-219 ALL VOTED AYE MOTION CARRIED
21. MOTION TO APPROVE AUTHORIZING THE COUNTY JUDGE TO SIGN SUPPLEMENTAL LEASE AGREEMENT FOR THE NORTH TEXAS HIGH INTENSITY DRUG TRAFFICKING AREA FACILITY BY OLSEN SEC BY BALDWIN ALL VOTED AYE MOTION CARRIED
22. MOTION TO APPROVE RENEGOTIATING FY 2007 ANNUAL AUDIT ENGAGEMENT WITH PATILLO, BROWN, AND HILL BY HERRINGTON SEC BY BALDWIN ALL VOTED AYE MOTION CARRIED
23. NO ACTION TAKEN ON BURN BAN
24. MOTION TO APPROVE NAVARRO COUNTY ECONOMIC DEVELOPMENT AGREEMENT WITH KPMG, LLP BY HERRINGTON SEC BY HOLT TO WIT PG 219A-219L ALL VOTED AYE MOTION CARRIED
25. MOTION TO ADJOURN BY HOLT SEC BY BALDWIN ALL VOTED AYE MOTION CARRIED

THESE MINUTES ARE HEREBY APPROVED THIS 10 DAY OF NOVEMBER 2008.

JUDGE HM DAVENPORT



COMR.PCT.1 KIT HERRINGTON *Kid Herrington*
COMR.PCT.2 FAITH HOLT *Faith Holt*
COMR.PCT.3 WILLIAM BALDWIN *William Baldwin*
COMR.PCT.4 JAMES OLSEN *James Olsen*

I, SHERRY DOWD, NAVARRO COUNTY CLERK, ATTEST THAT THE FOREGOING IS A TRUE AND ACCURATE ACCOUNTING OF THE COMMISSIONERS COURT'S AUTHORIZED PROCEEDING FOR OCTOBER 27TH, 2008.

SIGNED 10 DAY OF NOVEMBER 2008.

Sherry Dowd
SHERRY DOWD, COUNTY CLERK



**OFFICE OF THE
NAVARRO COUNTY JUDGE**

PROCLAMATION

WHEREAS: The County of Navarro prides itself on giving back to the community, contributing to the quality of life among our citizens; and

WHEREAS: Child Advocates of Navarro County, in association with the National Court Appointed Special Advocate ("CASA") Association, speaks for the best interest of abused and neglected children who are involved in the District Court; and

WHEREAS: More than 60 children from the Navarro County area are in need of a safe, permanent and forever home due to abuse and neglect; and

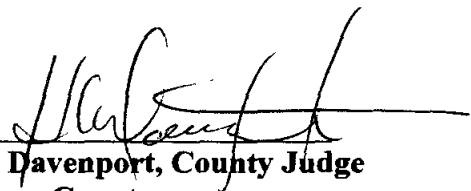
WHEREAS: Through a local effort Navarro County community members are encouraged to join together to raise awareness for our children who have fallen victim to abuse and who need a forever home throughout the month of November; and

WHEREAS: This effort will give children from Navarro County, who are available for adoption, a voice and chance to find a safe, permanent and forever home.

NOW THEREFORE I, H.M. Davenport, County Judge of Navarro County, by virtue of the authority vested in me, do hereby proclaim November 2008 as

NAVARRO COUNTY ADOPTION AWARENESS MONTH

In this county, and in doing so, urge all citizens to join in a nation effort to raise awareness of the need for children to become adopted.



H.M. Davenport, County Judge
Navarro County



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 27th day of October, 2008 present to the Navarro County Commissioners Court the Monthly Financial Report for the month ending on September 30, 2008 for the court to review and approve. According to the report, Navarro County had cash on hand in the amount of \$1,235,806.60. Also, other assets totaling \$6,148,656.48 are being held by the Treasurer's office. The total interest for all accounts for the month of September, 2008 was \$15,714.78. The total disbursements for the month of September, 2008 were \$2,596,867.84. 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 27th day of October, 2008.



H. M. Davenport Jr. - County Judge



Faith Holt - Commissioner Pct 2



James Olsen - Commissioner Pct 4



Kit Herrington - Commissioner Pct 1

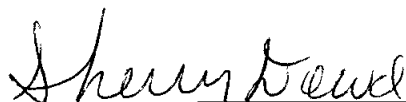


William Baldwin - Commissioner Pct 3

SWORN AND SUBSCRIBED TO BEFORE ME, this 27th day of October, 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.

ATTEST





Sherry Dowd - Navarro County Clerk

RESOLUTION AUTHORIZING COUNTY GRANT

**TEXAS DEPARTMENT OF AGRICULTURE
HOME-DELIVERED MEAL GRANT PROGRAM
TEXANS FEEDING TEXANS**

WHEREAS, Kaufman County Senior Citizens Services, Inc. DBA Navarro County Meals on Wheels located at 1806 Beaton Street, Corsicana, Texas, home delivers nutritious meals to homebound elderly and disabled citizens of Navarro County; and

WHEREAS; these meals are an essential factor in permitting these homebound citizens to remain in their own homes; and

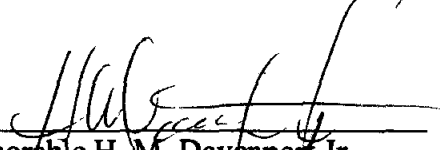
WHEREAS, many of these citizens might otherwise have to enter nursing homes at a significant cost to the taxpayers of this state; and

WHEREAS, the Texans Feeding Texans Home Delivered Meal Grant Program of the Texas Department of Agriculture is vital to Navarro County Meals on Wheels to continue providing service; and

WHEREAS, the Commissioners Court of Navarro County has also provided a grant to Navarro County Meals on Wheels;

NOW THEREFORE, we the members of the Commissioners Court of Navarro County urge our State Senator and Representatives to continue funding this program at no less than its current level.

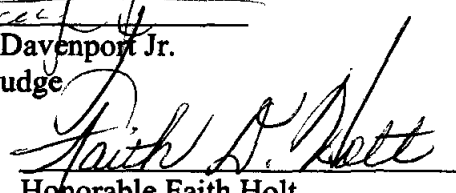
Introduced, read, and passed by the affirmative vote of the County on this 27 day of October, 2008.



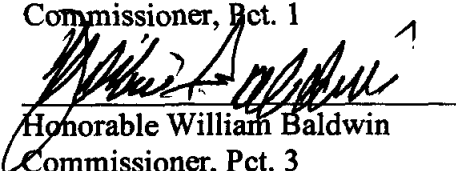
Honorable H. M. Davenport Jr.
County Judge



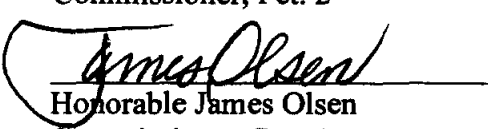
Honorable Kit Herrington
Commissioner, Pct. 1



Honorable Faith Holt
Commissioner, Pct. 2



Honorable William Baldwin
Commissioner, Pct. 3



Honorable James Olsen
Commissioner, Pct. 4



NAVARRO COUNTY, TEXAS
QUARTERLY INVESTMENT REPORT
For the Quarter Ended September 30, 2008

FUND	BALANCE 07/01/2008	INTEREST EARNED	DEPOSITS	WITHDRAWALS	BALANCE 09/30/2008	NET CHANGE
Investments held with TexPool:						
Operating Funds	7,821,334.76	35,640.69	2,999,490.00	6,331,364.71	4,525,100.74	(3,296,234.02)
Designated County Funds	410,338.31	2,368.77	3,500.00	10,500.00	405,707.08	(4,631.23)
State Funds	758,578.83	4,111.09	310,750.00	310,825.00	762,614.92	4,036.09
Agency Funds	935,414.53	5,519.28	163,975.00	161,350.00	943,558.81	8,144.28
TOTAL	9,925,666.43	47,639.83	3,477,715.00	6,814,039.71	6,636,981.55	(3,288,684.88)

Quarter to Date Interest Earned:

Bank Accounts	\$ 3,906.09
TexPool Invesments	47,639.83
Total Interest Earned	<u>\$ 51,545.92</u>

TexPool Interest Rate at 09/30/2008: 2.2828%

TexPool Net Asset Value at 09/30/2008: \$ 0.99954

Submitted October 27, 2008 in compliance with *Texas Government Code* Section 2256.023 and the Navarro County Investment Policy.

Tim Easley

 Tim Easley, First Assistant County Auditor

Ruby Coker

 Ruby Coker - County Treasurer

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NAVARRO COUNTY, TEXAS
REPORT OF INVESTMENT ACTIVITY
ALL INVESTMENTS HELD WITH TEXPOOL
For the Quarter Ended September 30, 2008

FUND	BEGINNING BALANCE	INTEREST EARNED	DEPOSITS	WITHDRAWALS	BALANCE	OPERATING TRANSFERS IN/(OUT)	ENDING BALANCE
OPERATING FUNDS							
DEBT SERVICE	184,635.12	965.47	15,250.00	52,050.00	148,800.59	-	148,800.59
GENERAL	4,743,392.97	19,661.07	2,035,050.00	4,738,900.00	2,059,204.04	-	2,059,204.04
CAPITAL PROJECTS	347,473.95	2,029.33	-	-	349,503.28	-	349,503.28
FLOOD CONTROL	972,403.79	5,395.73	6,000.00	144,650.00	839,149.52	-	839,149.52
REVOLVING & CLEARING	239,211.24	1,813.54	730,190.00	482,889.71	488,325.07	-	488,325.07
ROAD & BRIDGE - PCT 1	293,813.11	1,329.03	62,775.00	224,100.00	133,817.14	-	133,817.14
ROAD & BRIDGE - PCT 2	341,269.00	1,478.34	52,700.00	215,650.00	179,797.34	-	179,797.34
ROAD & BRIDGE - PCT 3	440,402.61	1,893.55	48,775.00	278,950.00	212,121.16	-	212,121.16
ROAD & BRIDGE - PCT 4	258,732.97	1,074.63	48,750.00	194,175.00	114,382.60	-	114,382.60
TOTAL	7,821,334.76	35,640.69	2,999,490.00	6,331,364.71	4,525,100.74	-	4,525,100.74
DESIGNATED COUNTY FUNDS							
DISTRICT ATTY FORF	65,285.68	373.18	-	2,500.00	63,158.86	-	63,158.86
SHERIFF SEIZURE	345,052.63	1,995.59	3,500.00	8,000.00	342,548.22	-	342,548.22
TOTAL	410,338.31	2,368.77	3,500.00	10,500.00	405,707.08	-	405,707.08
STATE FUNDS							
JUVENILE PROBATION	253,735.27	1,437.72	111,800.00	88,475.00	278,497.99	-	278,497.99
COMMUNITY SUPERVISION	504,843.56	2,673.37	198,950.00	222,350.00	484,116.93	-	484,116.93
TOTAL	758,578.83	4,111.09	310,750.00	310,825.00	762,614.92	-	762,614.92
AGENCY FUNDS							
COUNTY TRUST FUND	776,357.20	4,534.07	-	-	780,891.27	-	780,891.27
HEALTH INSURANCE	28,706.65	218.60	148,975.00	151,350.00	26,550.25	-	26,550.25
ECONOMIC DEVELOPMENT	2,001.99	16.98	15,000.00	10,000.00	7,018.97	-	7,018.97
HIDTA SEIZURE	36,830.82	215.09	-	-	37,045.91	-	37,045.91
LAKE TRUST	91,517.87	534.54	-	-	92,052.41	-	92,052.41
TOTAL	935,414.53	5,519.28	163,975.00	161,350.00	943,558.81	-	943,558.81
GRAND TOTAL	9,925,666.43	47,639.83	3,477,715.00	6,814,039.71	6,636,981.55	-	6,636,981.55

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NAVARRO COUNTY, TEXAS
RECAP OF INTEREST EARNED ON BANK ACCOUNTS
For the Quarter Ended September 30, 2008

MONTH	INTEREST
07/2008	1,373.01
08/2008	1,238.52
09/2008	1,294.56
TOTAL	3,906.09

**2009 Navarro County Resolution
Indigent Defense Grant Program**

WHEREAS, under the provisions of the Fair Defense Act, 77th Regular Session, counties are eligible to receive grants from the Task Force on Indigent Defense to provide improvements in indigent defense services in the county; and

WHEREAS, this grant program will assist the county in the implementation of the provisions of the Fair Defense Act and the improvement of the indigent criminal defense services in this county; and

WHEREAS, Navarro County Commissioners Court has agreed that in the event of loss or misuse of the funds, Navarro County Commissioners assures that the funds will be returned in full to the Task Force on Indigent Defense.

NOW THEREFORE, BE IT RESOLVED and ordered that the County Judge of this county is designated as the Authorized Official to apply for, accept, decline, modify, or cancel the grant application for the Indigent Defense Formula Grant Program and all other necessary documents to accept said grant; and

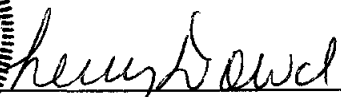
BE IT FURTHER RESOLVED that the County Judge is designated as the Program Director and contact person for this grant and the County Auditor is designated as the Financial Officer for this grant.

Adopted this 27 day of Oct, 2008.



Hershell Davenport
County Judge

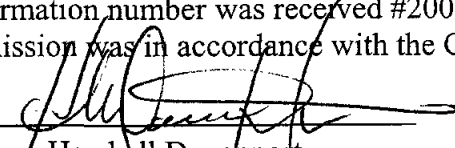




County Clerk

Internet Submission Form

After submitting the formula grant application on-line, the following Internet submission confirmation number was received #200917520081015. This grant application submission was in accordance with the Commissioners Court Resolution above.



Hershell Davenport
County Judge

INTERLOCAL AGREEMENT

Region 4 Education Service Center

Contracting Parties

Navarro County
School District or Public Entity

County-District Number

Region 4 Education Service Center

101 - 950
County-District Number

This agreement is effective _____ and shall be automatically renewed unless either party gives sixty (60) days prior written notice of non-renewal. This agreement may be terminated with or without cause by either party upon (60) days prior written notice, or may also be terminated for cause at anytime upon written notice stating the reason for and effective date of such terminations and after giving the affected party a thirty (30) day period to cure any breach.

Statement of Services to be Performed:

Authority for such services is granted under Government Code, Title 7, Chapter 791 Interlocal Cooperation Contracts, Subchapter B and Subchapter C, and Local Government Code, Title 8, Chapter 271, Subchapter F, Section 271.101 and Section 271.102. The purpose of this cooperative is to obtain substantial savings for member school districts and public entities through volume purchasing.

Role of the Purchasing Cooperative

1. Provide for the organizational and administrative structure of the program.
2. Provide staff time necessary for efficient operation of the program.
3. Receive quantity requests from entities and prepare appropriate tally of quantities.
4. Initiate and implement activities related to the bidding and vendors selection process.
5. Provide members with procedures for ordering, delivery, and billing.

Role of the Member School District or Public Entity:

1. Commitment to participate in the program as indicated by an authorized signature in the appropriate space below.
2. Designate a contact person for the cooperative.
3. Commit to purchase products and services that become part of the official products and services list when it is in the best interest of the member entity.
4. Prepare purchase orders issued to the appropriate vendor from the official award list provided by the Purchasing Cooperative.
5. Accept shipments of products ordered from vendors in accordance with standard purchasing procedures.
6. Pay vendors in a timely manner for all goods and services received.

Authorization:

Region 4 Education Service Center and The Cooperative Purchasing Network (TCPN) executed a contract to provide cooperative purchasing opportunities to school districts and public entities.

Please send a signed Interlocal Agreement to Region 4 ESC, Attn: TCPN, 7145 W. Tidwell, Houston, TX 77092-2096.

School District or Public Entity

By [Signature]
Authorized Signature

County Judge
Title

10-27-08
Date

Tim Earley
Contact Person

First Asst County Auditor
Title of Contact

300 West 3rd Ave, Ste 10
Street Address

Corsicana, TX 75110
City, State Zip

903-654-3095
Contact's Telephone Number

teasley@navarrocounty.org
E-mail Address

Region 4 Education Service Center

By _____
Authorized Signature

Deputy Director, Financial Services/CFO
Title

Date

Jason Wickel - Director-TCPN
Contact Person

(713)-744-6356
Telephone Number

jwickel@tcpn.org
E-mail Address

AGREEMENT FOR DISCLOSURE OF CONFIDENTIAL TAX INFORMATION

219A

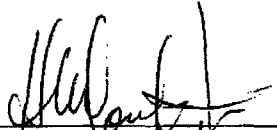
This agreement is entered into between the County of Navarro (hereafter the "County") and ENERGY TRANSFER PARTNERS, L.P. and its affiliates ETC Texas Pipeline, Ltd., Oasis Pipeline Company, ETC Katy Pipeline, Ltd., Energy Transfer Fuel, LP, Houston Pipe Line Company LP, HPL Leaseco, LP, HPL Asset Holdings, LP and Transwestern Pipeline Company, LLC (hereinafter the "taxpayer") for the purposes indicated herein.

I, Martin Salinas, CFO, and the duly authorized agent of Houston Pipeline Company, LP, a vendor doing business at 800 E Sonterra Blvd Ste 400, San Antonio, TX 78258, do hereby stipulate and agree as follows:

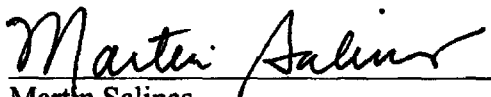
I hereby authorize the Texas Comptroller's Office to release and disclose any and all Sales and Use tax information relating to the operation of the above referenced taxpayer's business location to the County. I understand and agree that this release will be made by the Comptroller's Office to the County on an ongoing monthly basis beginning on the date this Agreement is executed. This Agreement waives any and all rights with respect to the parties regarding the confidentiality of tax information under Sections 111.006, 151.027, Tax Code, or other state law.

The County agrees that it will use the tax information disclosed by the Comptroller pursuant to this Agreement solely and exclusively for the purposes of rebating certain taxes to Houston Pipeline Company, L.P. This Agreement is entered into in Navarro County, Texas and Texas law will apply to its interpretation and enforcement.

SIGNED AND AGREED TO on this the 1st day of November, 2008.



Judge H.M. Davenport Jr.
County Judge
On Behalf of the "County"



Martin Salinas
CFO
On behalf of the "Taxpayer" - 15223344779

ECONOMIC DEVELOPMENT INCENTIVE AGREEMENT

This Economic Development Incentive Agreement ("Agreement") is made by and among Navarro County, Texas ("County", also referred to as "Grantor") and Energy Transfer Partners, L.P. on behalf of itself and its affiliates (the "Company"), acting by and through their respective authorized officers and representatives.

WHEREAS, the Company will be engaged in the business of purchasing materials and services within the County; and

WHEREAS, the Company has advised the County that a contributing factor that would induce the Company to purchase items using a Texas Direct Payment Permit and generate local use tax revenue for the County that would otherwise not be available to the County, would be an agreement by the Grantor to provide an economic development grant to the Company; and

WHEREAS, the Company desires to situs new property and services to the County that will generate additional use tax revenue for the County; and

WHEREAS, the County finds that the attraction of new business activity to the County will promote economic development, stimulate commercial activity, generate additional use tax and will enhance the tax base and economic vitality of the County; and

WHEREAS, the County hereby approves the project and expenditures established by the terms of this Agreement; and

WHEREAS, with the approval of this Agreement, the County hereby establishes a program authorized by Section 381.004 of the Texas Local Government Code to encourage and induce the generation of local use tax; and

WHEREAS, the Grantor is authorized by Article 52-a Texas Constitution, TEX. LOC. GOV'T CODE §381.004 to provide economic development grants to promote local economic development and to stimulate business and commercial activity in the County; and

WHEREAS, the Grantor has determined that making an economic development grant to the Company in accordance with this Agreement will further the objectives of the Grantor, will benefit the County and the County's inhabitants and will promote local economic development and stimulate business and commercial activity in the County;

NOW THEREFORE, in consideration of the foregoing, and on the terms and conditions hereinafter set forth, the parties agree as follows:

ARTICLE I
DEFINITIONS

1. For purposes of this Agreement, each of the following terms shall have the meaning set forth herein unless the context clearly indicates otherwise:

'County' shall mean the Navarro County, Texas.

'Company' shall mean Energy Transfer Partners, L.P., and its affiliates specified on the attached Exhibit A.

'Commencement Date' shall mean October 1, 2008.

'Effective Date' shall mean October 1, 2008.

'Event of Bankruptcy or Insolvency' shall mean the dissolution or termination (other than a dissolution or termination by reason of a party merging with an affiliate) of a party's existence as a going business, insolvency, appointment of receiver for any part of a party's property and such appointment is not terminated within ninety (90) business days after such appointment is initially made, any general assignment for the benefit of creditors, or the commencement of any proceeding under any bankruptcy or insolvency laws by or against a party and in the event such proceeding is not voluntarily commenced by the party, such proceeding is not dismissed within ninety (90) business days after the filing thereof.

'Force Majeure' shall mean any delays due to strikes, riots, acts of God, shortages of labor or materials, war, governmental approvals, laws, regulations, or restrictions, or any other cause of any kind whatsoever which is beyond the reasonable control of the party.

'Grant' shall mean periodic payments to Company from lawfully available funds.

'Grant Period' shall mean a full calendar month beginning October 1, 2008.

'Grantor' shall mean Navarro County, Texas.

'Impositions' shall mean all taxes, assessments, use and occupancy taxes, charges, excises, license and permit fees, and other charges by public or governmental authority, general and special, ordinary and extraordinary, foreseen and unforeseen, which are or may be assessed, charged, levied, or imposed by any public or governmental authority on the Company or any property or any business owned by Company within the County.

'Program' means the economic development program established by the County pursuant to this Agreement, as authorized by Section 381.004 of the Texas Local Government Code.

'Use Tax Receipts' shall mean the Grantor's receipts from the State of Texas from the collection of: (i) one half of one percent (.5%) use tax imposed by the County pursuant to Chapter 323 of the Texas Tax Code, attributed to the collection of use tax by Company associated with the issuance of Company's Texas Direct Payment for Taxable Items used or consumed in the County.

'Use Tax Certificate' shall mean a certificate or other statement in a form reasonably acceptable to the Grantor setting forth the Company's collection of use tax imposed by Grantor and received by the Grantor from the State of Texas, for the use of Taxable Items by Company in Navarro County for the applicable Grant Period which are to be used to determine Company's eligibility for a Grant, together with such supporting documentation required herein, and as Grantor may reasonably request.

'Taxable Items' shall have the same meaning assigned by Sections 151.010 and 151.0101, TEX. TAX CODE, as amended.

ARTICLE II TERM

2. Term. The term of this Agreement shall begin on the Effective Date and continue until the tenth-year anniversary date of the Commencement Date (the "Anniversary Date"), unless sooner terminated as provided herein. The agreement shall be automatically renewed for three successive five-year periods, unless written notice is provided by either party requesting termination of the agreement within 90 days of each anniversary date.

ARTICLE III ECONOMIC DEVELOPMENT GRANT

3.01 Grant. Subject to the Company's continued satisfaction of all the terms and conditions of this Agreement, the Grantor agrees to provide Company with an economic development grant from lawful available funds payable as provided herein in an amount equal to 50% of the Use Tax Receipts (the "Grant"). The Grant will never include any monies the Company pays or owes to the State of Texas for any penalties for late payments, failures to report in a timely manner, and the like, related to the Use Tax Receipts.

3.02 Grant Payment. The Grantor shall within thirty (30) calendar days after receipt of the actual Use Tax Receipts for the Use Tax Receipt Certificate for the Grant Period covered by a Use Tax Certificate submitted by Company pursuant to Section 4.01, pay the Grant for the applicable calendar month to the Company, or as directed by the Company.

3.03 Amended Returns. In the event the Company files an amended use tax return, or report, or if additional use tax is due and owing, as determined by or as approved by the State of Texas affecting the Use Tax Receipts for a previous calendar month, the Grant Payment for the calendar month immediately following such State approved amendment shall be adjusted accordingly, provided the Grantor has received Use Tax Receipts attributed to such adjustment. As a condition precedent to payment of such adjustment, Company shall provide Grantor with a copy of such amended use tax report or return, and the approval thereof by the State of Texas. 3.04 Refunds. In the event the State of Texas determines that the County erroneously received Use Tax Receipts, or that the amount of Use Tax paid to the County exceeds the correct amount of Use Tax for a previous Grant paid to the Company, the Company shall, within thirty (30) days after receipt of notification thereof from the County specifying the amount by which such Grant exceeded the amount to which the Company was entitled pursuant to such State of Texas determination, pay such amount to the Grantor. The Grantor may at its option adjust the Grant payment for the calendar month immediately following such State of Texas determination to deduct there from the amount of the overpayment. As a condition precedent to payment of such refund, the County shall provide Company with a copy of such determination by the State of Texas.

ARTICLE IV CONDITIONS TO THE ECONOMIC DEVELOPMENT GRANT

4.01 Use Tax Certificate. The Conditions contained in this Article IV are conditions precedent to the Grantor's obligation to make any Grant payment. During the term of this Agreement, the Company shall within thirty (30) days after the end of each calendar month, provide the Grantor with a Use Tax Certificate. The Grantor shall have no duty to calculate the Use Tax Receipts or determine Company's entitlement to any Grant, or pay any Grant during the term of this Agreement until such time as Company has provided the Grantor a Use Tax Certificate and the Grantor has received the actual Use Tax Receipts from the State of Texas. At the request of the Grantor, Company shall provide such additional documentation as may be reasonably requested by Grantor to evidence, support and establish the use tax paid directly to the State of Texas pursuant to Company's Direct Payment Permit. The Use Tax Certificate shall at a minimum contain, include or be accompanied by the following:

- a. A copy of all Texas Direct Payment Permit and self-assessment use tax returns and reports, use tax audit assessments, including amended use tax returns or reports, filed by the Company for the Grant Period showing use tax paid directly to the State of Texas related to Company's operations for the Grant Period;
- b. Information concerning any refund or credit received by the Company of use tax paid by the Company which has previously been reported by the Company as use tax paid for a previous Grant Period;

Grantor agrees to the extent allowed by law to maintain the confidentiality of the Use Tax Certificate.

- 4.02 As a condition to the payment of any Grant hereunder, Grantor shall have received a Use Tax Certificate for the Grant Period for which payment of a Grant is requested and received the actual Use Tax Receipts for the Grant Period.
- 4.03 The Company shall issue its Texas Direct Payment Permit to vendors providing building materials or other tangible personal property.
- 4.04 The Company shall provide the Grantor with a true and correct copy of its Texas Direct Payment Permit which permit shall be kept in full force and effect throughout the term of the Agreement.
- 4.05 Company shall not have an uncured breach or default of this Agreement.

ARTICLE V
TERMINATION

- 5. This Agreement may be terminated upon any one of the following:
 - (a) by mutual written agreement of the parties;
 - (b) by Grantor or Company, respectively, if the other party defaults or breaches any of the terms or conditions of this Agreement and such default or breach is not cured within thirty (30) days after written notice thereof by the Grantor or Company, as the case maybe;
 - (c) by Grantor, if any Impositions owed to the Grantor or the State of Texas by Company shall have become delinquent (provided, however, Company retains the right to timely and properly protest and contest any such taxes or impositions);
 - (d) by Grantor, if Company suffers an Event of Bankruptcy or Insolvency;
 - (e) by Grantor or Company, respectively, if any subsequent Federal or State legislation or any decision of a court of competent jurisdiction declares or renders this Agreement invalid, illegal or unenforceable;
 - (f) expiration of the term;

The rights, responsibilities and liabilities of the Parties under this Agreement shall be extinguished upon the termination of this Agreement except for any obligations that accrue prior to such termination.

ARTICLE VI
MISCELLANEOUS

- 6.01 Binding Agreement. The terms and conditions of this Agreement are binding upon the successors and permitted assigns of the parties hereto. This Agreement may not be assigned without the express written consent of Grantor, which approval shall not be unreasonably withheld or delayed.
- 6.02 Limitation on Liability. It is understood and agreed between the parties that the Company and Grantor, in satisfying the conditions of this Agreement, have acted independently, and Grantor assumes no responsibilities or liabilities to third parties in connection with these actions. The Company agrees to indemnify and hold harmless the Grantor from all such claims, suits, and causes of actions, liabilities and expenses, including reasonable attorney's fees, of any nature whatsoever by a third party arising out of the Company's performance of the conditions under this Agreement.
- 6.03 No Joint Venture. It is acknowledged and agreed by the parties that the terms hereof are not intended to and shall not be deemed to create a partnership or joint venture among the parties.
- 6.04 Authorization. Each party represents that it has full capacity and authority to grant all rights and assume all obligations that are granted and assumed under this Agreement.
- 6.05 Notice. Any notice required or permitted to be delivered hereunder shall be deemed received three (3) days thereafter sent by United States Mail, postage prepaid, certified mail, return receipt requested, addressed to the party at the address set forth below (or such other address as such party may subsequently designate in writing) or on the day actually received if sent by courier or otherwise hand delivered sent via fax.

If intended for County, to:

Attn: H.M. Davenport Jr.
County Judge
Navarro County
300 West Third Ave Ste 102
Corsicana, Texas 75110

With a copy to:

Attn: Matthew Wallis
Taylor, Olson, Adkins, Sralla, & Elam, L.L.P.
6000 Western Place, Ste 200

Fort Worth, Texas 76107

If intended for the Company:

Attn: Jim Wright
Managing Senior Counsel
Energy Transfer Company
711 Louisiana Street
Houston, Texas 77002

With a copy to:

Attn: Emily Barkley
Sales/Use Tax Supervisor
Energy Transfer Company
800 E Sonterra Blvd Ste 400
San Antonio, Texas 78258

6.06 Entire Agreement. This Agreement is the entire Agreement between the parties with respect to the subject matter covered in this Agreement. There is no other collateral oral or written Agreement between the parties that in any manner relates to the subject matter of this Agreement.

6.07 Governing Law. The laws of the State of Texas shall govern the Agreement; and this Agreement is fully performable in Navarro County, Texas with exclusive venue for any action concerning this Agreement being in a court of competent jurisdiction in Navarro, County, Texas.

6.08 Amendment. This Agreement may only be amended by the mutual written agreement of the parties.

6.09 Legal Construction. In the event any one or more of the provisions contained in this Agreement shall for any reason be held to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect other provisions, and it is the intention of the parties to this Agreement that in lieu of each provision that is found to be illegal, invalid, or unenforceable, a provision shall be added to this Agreement which is legal, valid and enforceable and is as similar in terms as possible to the provision found to be illegal, invalid or unenforceable.

6.10 Recitals. The recitals to this Agreement are incorporated herein.

6.11 Counterparts. This Agreement may be executed in counterparts. Each of the counterparts shall be deemed an original instrument, but all of the counterparts shall constitute one and the same instrument.

6.12 Survival of Covenants. Any of the representations, warranties, covenants, and obligations of the parties, as well as any rights and benefits of the parties, pertaining to a period of time following the termination of this Agreement shall survive termination.

6.13 Dispute Resolution. Any controversy or claim arising from or relating to this Agreement, or a breach thereof shall be subject to non-binding mediation, as a condition precedent to the institution of legal or equitable proceedings by any party unless the institution of such legal or equitable proceeding is necessary to avoid the running of an applicable statute of limitation. The parties shall endeavor to resolve their claims by mediation. Grantor and Company shall share the costs of mediation equally. The mediation shall be held in Navarro County, Texas, unless another location is mutually agreed upon. Agreements reached in mediation shall be enforceable as settlement agreements in any Court having jurisdiction thereof.

EXECUTED as of the 10 day of November, 2008.



Navarro COUNTY, TEXAS

By: [Signature]
H.M. Davenport Jr.
Judge

ATTEST:

BY: Sherry Dard County Clerk

APPROVED AS TO FORM:

BY: _____

EXECUTED as of the 27th day of October, 2008.

Energy Transfer Partners, L.P.

By: Energy Transfer Partners GP, L.P., and
its general partner

By: Energy Transfer Partners, L.L.C., and
its general partner

By: [Signature: Martin Salinas]
Name: Martin Salinas
Title: Chief Financial Officer

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ACKNOWLEDGMENTS

STATE OF TEXAS §
 §
COUNTY OF NAVARRO §

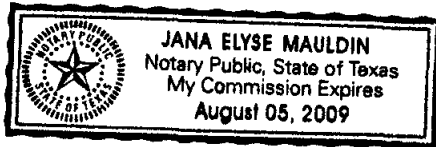
This instrument was acknowledged before me on the _____ day of _____, 2008 by H.M. Davenport Jr., being Judge of Navarro County, Texas, a Texas county, on behalf of said county.

Name: Sherry Dowd, County Clerk
Notary Public, State of Texas

My Commission expires: _____

STATE OF TEXAS §
 DALLAS §
COUNTY OF ~~BEXAR~~ §

This instrument was acknowledged before me on the 27th day of October, 2008 by Martin Salinas, Chief Financial Officer, of Energy Transfer Partners, L.P.



Jana E. Mauldin
Name:
Notary Public, State of Texas

My Commission expires: 8/5/09

Exhibit A

Attached to and made a part of that certain Economic Development Incentive Agreement by and among Navarro County ("County", also referred to as "Grantor") and Energy Transfer Partners, L.P. ("Company") dated 10/29/08.

- ETC Texas Pipeline, Ltd.
- Oasis Pipe Line Company
- Oasis Pipeline Company Texas L.P.
- ETC Katy Pipeline, Ltd.
- Energy Transfer Fuel, LP
- Houston Pipe Line Company LP
- HPL Leaseco, LP
- HPL Asset Holdings, LP
- Transwestern Pipeline Company, LLC