

NAVARRO COUNTY COMMISSIONER'S COURT

A REGULAR MEETING OF THE NAVARRO COUNTY COMMISSIONER'S COURT WAS HELD ON MONDAY THE, 14TH DAY OF SEPTEMBER, 2009 AT 10:00 A.M., IN THE COURTROOM OF THE NAVARRO COUNTY COURTHOUSE, CORSICANA, TEXAS. PRESIDING JUDGE HM DAVENPORT, COMMISSIONERS PRESENT KIT HERRINGTON, FAITH HOLT, DAVID WARREN, AND JAMES OLSEN

1. 10:07 A.M. MOTION TO CONVENE BY HERRINGTON SEC BY WARREN ALL VOTED AYE MOTION CARRIED
2. OPENING PRAYER BY COMMISSIONER HOLT
3. PLEDGE OF ALLEGIANCE
4. PUBLIC COMMENTS-CAROLYN MCCOMBS-TAXES JAN THOMAS-LONGIVITY-JAMES WOOD-TAXES

**CONSENT AGENDA**

MOTION TO APPROVE CONSENT AGENDA ITEMS 5-12 BY HOLT SEC BY HERRINGTON

5. MOTION TO APPROVE MINUTES FROM THE PREVIOUS MEETING OF AUGUST 28<sup>TH</sup>, AUGUST 31<sup>ST</sup>, SEPTEMBER 1<sup>ST</sup>, AND, SEPTEMBER 11<sup>TH</sup>, 2009
6. MOTION TO APPROVE AND PAY BILLS AS SUBMITTED BY THE COUNTY AUDITOR
7. MOTION TO APPROVE THE MINUTES OF AUGUST 6<sup>TH</sup>, 2009 PLANNING AND ZONING MEETING **TO WIT PG 39**
8. MOTION TO APPROVE A SPECIFIC USE PERMIT # 09-413 FOR SARA HOOD. THIS REQUEST IS FOR A STORAGE BUILDING TO BE LOCATED ON LOT 9, BLOCK B OF RUSTLING OAKS PHASE III
9. MOTION TO APPROVE REPLAT OF LOTS 21 & 22 OF VISTA RIDGE BY ALAN AND RAYLEEN REICH
10. MOTION TO APPROVE ZONING CHANGE 09-414 FOR RICKY JARRELL. THIS REQUEST IS FROM AGRICULTURE TO SINGLE FAMILY 3. THE

PROPERTY CONSIST OF 0.9ACRES IN THE JOHN WHITE SURVEY AND LOCATED ON SECR 1098

11. MOTION TO APPROVE SPECIFIC USE PERMIT #09-415 FOR LARRY AND VICKY MCELVANY. THIS REQUEST IS FOR A STORAGE BUILDING TO BE LOCATED ON LOT 8 OF MATTIE CASTON SHORES PHASE 1
12. MOTION TO APPROVE REVIEW OF SPECIFIC USE PERMIT # 12-07-365 FOR JOHN AND DONNA KING

**REGULAR AGENDA**

13. PUBLIC HEARING ON TAX INCREASE  
DICK MARTIN AND JOHN BAKER
14. MOTION TO APPROVE ACCEPTANCE OF FUNDING FROM NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS, IN THE AMOUNT OF \$3130.00 FOR THE EVENTIDE RECORDER MAINTANCE AND \$15,796.00 FOR ELECTRICAL WIRING IN THE NEW COMMUNICATION BY OLSEN SEC BY WARREN  
ALL VOTED AYE MOTION CARRIED
15. STRIKE BUDGET AMENDMENT TO INCLUDE THE ABOVE FUNDING IN THE APPROPRIATE BUDGET LINE ITEM FOR 2009-2010 NAVARRO COUNTY OPERATING BUDGET
16. MOTION TO APPROVE LEASE AGREEMENT DOCUMENTS INCLUDING CERTIFICATE OF ACCEPTANCE AND A LESSEE RESOLUTION BETWEEN KANSAS STATE BANK OF MANHATTAN AND NAVARRO COUNTY, FOR TWO MACK TRUCKS AND ONE CPS BELLY DUMP TRAILER, FOR PRECINCT 3 BY WARRREN SEC BY HERRINGTON  
ALL VOTED AYE MOTION CARRIED **TO WIT PG 40-60**
17. MOTION TO APPROVE TO LIFT THE BURN BAN BY JUDGE DAVENPORT SEC BY WARREN  
ALL VOTED AYE MOTION CARRIED
18. MOTION TO APPROVE YEARLY REPORT FOR NAVARRO SOIL AND WATER CONSERVATION DISTRICT ON FLOOD CONTROL STRUCTURES IN NAVARRO COUNTY PRESENTED BY BOBBY WILSON BY OLSEN SEC BY WARREN **TO WIT PG 61-64**  
ALL VOTED AYE MOTION CARRIED

19. MOTION TO APPROVE INTERLOCAL AGREEMENT WITH THE CITY OF ANGUS REGARDING CODE ENFORCEMENT BY WARREN SEC BY HERRINGTON TO WIT PG 65-70  
ALL VOTED AYE MOTION CARRIED
20. MOTION TO APPROVE CERTIFYING ADDITIONAL REVENUE PURSUANT TO LOCAL GOVERNMENT CODE 111.0707-\$14,967 TEXAS JAG GRANT BY HOLT SEC BY WARREN  
ALL VOTED AYE MOTION CARRIED
21. MOTION TO APPROVE SPECIAL BUDGET AMENDMENTS IN ACCORDANCE WITH LOCAL GOVERNMENT CODE 111.0708 TO INCREASE 2009 BUDGET FOR INVESTIGATIVE/ENFORCEMENT SUPPLIES BY \$14,967 IN THE SHERIFF'S DEPARTMENT BY HOLT SEC BY HERRINGTON TO WIT PG 71-72  
ALL VOTED AYE MOTION CARRIED
22. MOTION OF APPROVAL OF LESSEE'S AUTHORIZING RESOLUTION FOR CAPITAL LEASE FOR MOTORGRADER FOR PRECINCT 1 BY HERRINGTON SEC BY WARREN TO WIT PG73-92  
ALL VOTED AYE MOTION CARRIED
23. MOTION TO APPROVE OF CONFIRMING GRANT CONTRACT BETWEEN THE TEXAS OFFICE OF THE ATTORNEY'S GENERAL AND NAVARRO COUNTY DISTRICT ATTORNEY'S OFFICE FOR THE STATE FISCAL YEARS 2010 AND 2011 FOR FUNDING THE POSITION OF VICTIM COORDINATOR AND LIAISON BY HERRINGTON SEC BY OLSEN  
ALL VOTED AYE MOTION CARRIED TO WIT PG 93-112
24. MOTION TO APPROVE OF TERMINATING MONTHLY SUPPORT OF STREETMAN VOLUNTEER FIRE DEPARTMENT BY WARREN SEC BY HOLT  
ALL VOTED AYE MOTION CARRIED
25. MOTION OF APPROVING AND EXECUTING THE 2010 NAVARRO COUNTY RESOLUTION AS PART OF THE APPLICATION PROCEDURE FOR THE 2010 INDIGENT DEFENSE GRANT UNDER THE FAIR DEFENSE ACT BY HERRINGTON SEC BY WARREN TO WIT PG 113  
ALL VOTED AYE MOTION CARRIED
26. MOTION TO APPROVE CELLULAR TELEPHONE ALLOWANCE REQUEST (EFFECTIVE 10/1/09) FOR: ELECTED OFFICIALS: JAMES OLSEN (\$50/MO)

**NAVARRO COUNTY EMPLOYEES: GENE MONTGOMERY, PCT 4 (\$50/MO), VICTOR WALTERS, PCT3 (\$50/MO), AND ALL 6 ASSISTANT DAs- VICKI FOSTER (\$50/MO), JOHN WESTBROOK (\$50/MO), WILLIAM THOMPSON (\$50/MO), AMY CADWELL(\$50/MO), RANDALL MILLER (\$50/MO) AND JERRY PUTMAN (\$50/MO) BY HOLT SEC BY HERRINGTON TO WIT PG 114-122 ALL VOTED AYE MOTION CARRIED**

27. MOTION TO TABLE CONSIDERATION OF CONSTABLE PRECINCT 4 SALARY BY HOLT SEC BY WARREN ALL VOTED AYE MOTION CARRIED

28. MOTION TO ADJOURN BY ALL VOTED AYE MOTION CARRIED

THESE MINUTES ARE HEREBY APPROVED THIS 28 DAY OF SEPTEMBER 2009.

JUDGE HM DAVENPORT [Signature]

COMR.PCT.1 KIT HERRINGTON [Signature]

COMR.PCT.2 FAITH HOLT [Signature]

COMR.PCT.3 DAVID "BUTCH" WARREN [Signature]

COMR.PCT.4 JAMES OLSEN [Signature]

I, SHERRY DOWD, NAVARRO COUNTY CLERK, ATTEST THAT THE FOREGOING IS A TRUE AND ACCURATE ACCOUNTING OF THE COMMISSIONERS COURT'S AUTHORIZED PROCEEDING FOR SEPTEMBER 14TH, 2009.

SIGNED 28 DAY OF SEPTEMBER 2009.

[Signature]  
SHERRY DOWD, COUNTY CLERK





**NAVARRO COUNTY PLANNING AND DEVELOPMENT**

300 W. 3<sup>rd</sup> Ave.  
Suite 16  
Corsicana, Texas 75110

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

[vstoecklein@navarrocouny.org](mailto:vstoecklein@navarrocouny.org)  
903-875-3314 FAX

**PLANNING AND ZONING COMMISSION MINUTES**

August 6, 2009

5:30 P.M.

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

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

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

Item #2 on the agenda was consideration of the minutes of the July 2, 2009 Planning and Zoning meeting. Motion to approve by Commissioner Irvine, second by Commissioner McGuire, all voted aye.

Item # 3 on the agenda was specific use permit #09-411 for Francisco Bay Property Owners Association. This request is for the installation of a 5,000 gallon water tank for fire protection. The location of the tank is below the 320' Elevation of Richland Chambers Reservoir and they have obtained approval from Tarrant Regional Water District. All requirements have been met, motion to approve by Commissioner Irvine, second by Commissioner Jackson, all voted aye.

Item # 4 on the agenda was consideration of a replat of lots 30 and 31 of The Shores Phase I by Ken Redmon. Mr. Redmon owns both lots and wants to combine into one. All requirements have been met. Motion to approve by Commissioner Bancroft, second by Commissions Newton, all voted aye.

Item # 5 on the agenda was consideration of a replat of lots 173, 174, and 175 of The Shores Phase I by Teip and Sam Tran. They own all lots and want to combine into one. All requirements havd been met. Motion to approve by Commissioner Watkins, second by Commissioner White, all voted aye.

**Page 2  
Planning and Zoning Minutes  
August 6, 2009**

**Item # 6 on the agenda was consideration of zoning change #09-412 for Brian Richards. This request is from agriculture to single family 1. This will allow Mr. Richards to build a home on this property. The property consists of 1 acre in the Wilson Reed Survey and is located on SE CR 2140 and SE CR 2150. All requirements have been met. Motion to approve by Commissioner Irvine, second by Commissioner Bancroft, all voted aye.**

**Item # 7 was struck from the agenda.**

**Item # 8 on the agenda was consideration of an amendment to the Lakeshore Area Zoning Ordinance regarding the administrative granting of certain variances. Motion by Commissioner Irvine to allow the Planning and Development Director to administratively grant a variance from encroachment over set back lines on any property that was developed and had a plat recorded prior to 2000, second by Commissioner Smith, all voted aye.**

**Item # 9 was consideration of changing meeting times of the Planning and Zoning Commission. Motion by Commissioner Irvine to change the meeting time from 5:30 P.M. to 5:00 P.M. beginning with the next meeting on September 3, 2009, second by Commissioner Newton, all voted aye.**

**Adjourn.**

**LEASE WITH OPTION TO PURCHASE AGREEMENT**

**Lessee:**  
Navarro County, Texas  
300 W. 3rd Ave.  
Corsicana, Texas 75110

**Lessor:**  
Kansas State Bank of Manhattan  
1010 Westloop, P.O. Box 69  
Manhattan, Kansas 66505-0069

**Dated as of September 1, 2009**

This Lease With Option to Purchase Agreement dated as of the date listed above is between Lessor and Lessee listed directly above. Lessor desires to finance the purchase of the Equipment described in Exhibit "A" to Lessee and Lessee desires to finance the purchase of the Equipment from Lessor subject to the terms and conditions of this Agreement which are set forth below.

**I. Definitions:**

**Section 1.01. Definitions.** The following terms will have the meanings indicated below unless the context clearly requires otherwise.

"Act" shall mean Section 271.005 of the Texas Local Government Code, as amended.

"Additional Schedule" refers to the proper execution of additional Schedules to Exhibit A, Exhibit B, Exhibit C and Exhibit D as well as other exhibits or documents that may be required by the Lessor all of which relate to a lease of additional Equipment.

"Agreement" means this Lease with Option to Purchase Agreement and all Exhibits attached hereto.

"Budget Year" means the Lessee's fiscal year.

"Commencement Date" is the date when Lessee's obligation to pay Rental Payments begins.

"Equipment" means all of the items of Equipment listed on Exhibit "A" and all replacements, restorations, modifications and improvements.

"Lessee" means the entity listed above as Lessee and which is leasing the Equipment from Lessor under the provisions of this Agreement.

"Lessor" means the entity originally listed above as Lessor or any of its assignees.

"Lease Term" means the period of time from the Commencement Date until all amounts due by Lessee under the Agreement are paid. "Rental Payments" means the payments Lessee is required to make under this Agreement as set forth on Exhibit "B".

"State" means the state in which Lessee is located.

**II. Lessee Warranties**

**Section 2.01. Lessee represents, warrants and covenants as follows for the benefit of Lessor or its assignees:**

- (a) Lessee is an "issuer of tax exempt obligations" because Lessee is the State or a political subdivision of the State within the meaning of Section 103(a) of the Internal Revenue Code of 1986, as amended, (the "Code") or because Lessee is a constituted authority or district authorized to issue obligations on behalf of the State or political subdivision of the State within the meaning of Treasury Regulation 1.103-1(b).
- (b) Lessee is authorized under the Constitution and laws of the State to enter into this Agreement, and has used such authority to properly execute and deliver this Agreement. Lessee has followed all proper procedures of its governing body in executing this Agreement. The Officer of Lessee executing this Agreement has the authority to execute and deliver this Agreement. This Agreement constitutes a legal, valid, binding and enforceable obligation of the Lessee in accordance with its terms. Lessee is a municipality, county, school district, conservation and reclamation district, hospital organization, or other political subdivision of the State of Texas so as to constitute a "governmental agency" under the Act.
- (c) Lessee has complied with all statutory laws and regulations that may be applicable to the execution of this Agreement including the Public Property Finance Act, subchapter A, Chapter 271, Local Government Code (the "PPFA").
- (d) The Equipment listed in Exhibit A constitutes "personal property" under the Act in that it is personal property in the nature of appliances, equipment, or furnishings, or an interest in such type of personal property. The Equipment may be movable or fixed personal property, however the Equipment cannot constitute a permanent, immovable improvement. The Lessee may include materials and labor incidental to the Equipment as part of the Equipment in Exhibit A.
- (e) Lessee shall use the Equipment only for essential, traditional government purposes.
- (f) Should the IRS disallow the tax-exempt status of the Interest Portion of the Rental Payments as a result of the failure of the Lessee to use the Equipment for governmental purposes, then Lessee shall be required to pay additional sums to the Lessor or its assignees so as to bring the after tax yield to the same level as the Lessor or its assignees would attain if the transaction continued to be tax-exempt.
- (g) Should the Lessee cease to be an issuer of tax exempt obligations or if the obligation of Lessee created under this Agreement ceases to be a tax exempt obligation for any reason, then Lessee shall be required to pay additional sums to the Lessor or its assignees so as to bring the after tax yield on this Agreement to the same level as the Lessor or its assignees would attain if the transaction continued to be tax-exempt.
- (h) Lessee will submit to the Secretary of the Treasury an information reporting statement as required by the Code.
- (i) Upon request by Lessor, Lessee will provide Lessor with current financial statements, reports, budgets or other relevant fiscal information within thirty (30) days of such request.
- (j) Lessee shall retain the Equipment free of any hazardous substances as defined in the Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. 9601 et. seq. as amended and supplemented.
- (k) Lessee hereby pledges from Legally Available Funds an amount sufficient to provide for the payment of the Rental Payments due under this Agreement and such Legally Available Funds have been pledged irrevocably for such payment.
- (l) The official of Lessee responsible for budget preparation will include in the budget request for each Budget Year the Rental Payments to become due in such Budget Year from Legally Available Funds.
- (m) Lessee is unaware of any pending or threatened litigation before any state or federal court which would affect (1) the authority of the Lessee to enter into this Agreement or (2) the authority of the Lessee to pledge the Legally Available Funds to the payment of the Rental Payments due under this Agreement. If Lessee should become aware of such pending or threatened litigation, Lessee shall notify Lessor immediately.
- (n) The meeting at which this Agreement was adopted was open to the public, and the public notice of the time, place and purpose of said meeting was given, all as required by Chapter 551, Texas Government Code, as amended.
- (o) Lessee shall comply with any procurement laws applicable to the Lessee under the laws of this State.

**Section 2.02. Escrow Agreement.** In the event both Lessor and Lessee mutually agree to utilize an Escrow Account, then immediately following the execution and delivery of this Agreement, Lessor and Lessee agree to execute and deliver and to cause Escrow Agent to execute and deliver the Escrow Agreement. This Agreement shall take effect only upon execution and delivery of the Escrow Agreement by the parties thereto. Lessor shall deposit or cause to be deposited with the Escrow agent for credit to the Equipment Acquisition Fund the sum of \$N/A, which shall be held, invested and disbursed in accordance with the Escrow Agreement.

**III. Acquisition of Equipment, Rental Payments and the Purchase Option Price**

**Section 3.01. Acquisition and Acceptance.** Lessee shall be solely responsible for the ordering of the Equipment and for the delivery and installation of the Equipment. Execution of the Acceptance Certificate by an employee, official or agent of the Lessee having managerial, supervisory or procurement authority with respect to the Equipment shall constitute acceptance of the Equipment on behalf of the Lessee.

**Section 3.02. Rental Payments.** Lessee shall pay Rental Payments from the Legally Available Funds exclusively to Lessor or its assignees in money of the United States of America. The Rental Payments shall be sent to the location specified by the Lessor or its assignees. Lessor shall have the option to charge interest at the highest net effective interest rate which does not exceed the net effective interest rate provided in Section 1204.006 of the Texas Government Code, as amended, on any Rental Payment received later than the due date for the number of days that the Rental Payment(s) were late. Lessor shall also have the option, on monthly payments only, to charge a late fee of up to 10% of the monthly Rental Payment that is past due. The Rental Payments will be payable without notice or demand at the time and in the amounts shown on Exhibit B.

**Section 3.03. Rental Payments Unconditional.** THE OBLIGATIONS OF LESSEE TO MAKE RENTAL PAYMENTS AND TO PERFORM AND OBSERVE THE OTHER COVENANTS CONTAINED IN THIS AGREEMENT SHALL BE ABSOLUTE AND UNCONDITIONAL IN ALL EVENTS WITHOUT ABATEMENT, DIMINUTION, DEDUCTION, SET-OFF OR DEFENSE.

**Section 3.04. Purchase Option Price.** Upon thirty (30) days written notice, Lessee shall have the option to pay, in addition to the Rental Payment, the corresponding Purchase Option Price which is listed on the same line on Exhibit B. This option is only available to the Lessee on the Rental Payment date and no partial prepayments are allowed. If Lessee chooses this option and pays the Purchase Option Price to Lessor then Lessor will transfer any and all of it's rights, title and interest in the Equipment to Lessee.

**Section 3.05. Disclaimer of Warranties.** LESSOR MAKES NO WARRANTY OR REPRESENTATION, EITHER EXPRESS OR IMPLIED, AS TO THE VALUE, DESIGN, CONDITION, MERCHANTABILITY, FITNESS FOR PARTICULAR PURPOSE OR ANY OTHER WARRANTY WITH RESPECT TO THE EQUIPMENT. LESSOR SHALL NOT BE LIABLE FOR ANY INCIDENTAL, INDIRECT, SPECIAL OR CONSEQUENTIAL DAMAGE ARISING OUT OF THE INSTALLATION, OPERATION, POSSESSION, STORAGE OR USE OF THE EQUIPMENT BY LESSEE.

**IV. Appropriation of Funds**

**Section 4.01. Appropriation.** Lessee shall be obligated to appropriate from Legally Available Funds sufficient money in each Budget Year to meet all Rental Payments when due. Lessee hereby pledges such revenues, funds, or taxes which constitute Legally Available Funds, within the limits prescribed by law, that is sufficient to provide timely payment of the Rental Payments when due. Such Legally Available Funds shall be made payable from all or any part of any revenues, funds, or taxes available to Lessee for its public purposes in accordance with Section 271.005 of the Texas Local Government Code.

**V. Insurance, Damage, Insufficiency of Proceeds**

**Section 5.01. Insurance.** Lessee shall maintain both casualty insurance and liability insurance at its own expense with respect to the Equipment. Lessee shall be solely responsible for selecting the insurer(s) and for making all premium payments and ensuring that all policies are continuously kept in effect during the period when Lessee is required to make Rental Payments. Lessee shall provide Lessor with a Certificate of Insurance which lists the Lessor and/or assigns as a loss payee and an additional insured on the policies with respect to the Equipment.

- (a) Lessee shall insure the Equipment against any loss or damage by fire and all other risks covered by the standard extended coverage endorsement then in use in the State and any other risks reasonably required by Lessor in an amount at least equal to the then applicable Purchase Option Price of the Equipment. Alternatively, Lessee may insure the Equipment under a blanket insurance policy or policies.
- (b) The liability insurance shall insure Lessor from liability and property damage in any form and amount satisfactory to Lessor.
- (c) Lessee may self-insure against the casualty risks and liability risks described above. If Lessee chooses this option, Lessee must furnish Lessor with a certificate and/or other documents which evidences such coverage.
- (d) All insurance policies issued or affected by this Section shall be so written or endorsed such that the Lessor and its assignees are named additional insureds and loss payees and that all losses are payable to Lessee and Lessor or its assignees as their interests may appear. Each policy issued or affected by this Section shall contain a provision that the insurance company shall not cancel or materially modify the policy without first giving thirty (30) days advance notice to Lessor or its assignees. Lessee shall furnish to Lessor certificates evidencing such coverage throughout the Lease Term.

**Section 5.02. Damage to or Destruction of Equipment.** Lessee assumes the risk of loss or damage to the Equipment. If the Equipment or any portion thereof is lost, stolen, damaged, or destroyed by fire or other casualty, Lessee will immediately report all such losses to all possible insurers and take the proper procedures to attain all insurance proceeds. At the option of Lessor, Lessee shall either (1) apply the Net Proceeds to replace, repair or restore the Equipment or (2) apply the Net Proceeds to the applicable Purchase Option Price. For purposes of this Section and Section 5.03, the term Net Proceeds shall mean the amount of insurance proceeds collected from all applicable insurance policies after deducting all expenses incurred in the collection thereof.

**Section 5.03. Insufficiency of Net Proceeds.** If there are no Net Proceeds for whatever reason or if the Net Proceeds are insufficient to pay in full the cost of any replacement, repair, restoration, modification or improvement of the Equipment, then Lessee shall, at the option of Lessor, either (1) complete such replacement, repair, restoration, modification or improvement and pay any costs thereof in excess of the amount of the Net Proceeds or (2) apply the Net Proceeds to the Purchase Option Price and pay the deficiency, if any, to the Lessor.

**Section 5.04. Lessee Negligence.** Lessee assumes all risks and liabilities, whether or not covered by insurance, for loss or damage to the Equipment and for injury to or death of any person or damage to any property whether such injury or death be with respect to agents or employees of Lessee or of third parties, and whether such property damage be to Lessee's property or the property of others (including, without limitation, liabilities for loss or damage related to the release or threatened release of hazardous substances under the Comprehensive Environmental Response, Compensation and Liability Act, the Resource Conservation and Recovery Act or similar or successor law or any state or local equivalent now existing or hereinafter enacted which in any manner arise out of or are incident to any possession, use, operation, condition or storage of any Equipment by Lessee) which is proximately caused by the negligent conduct of Lessee, its officers, employees and agents. Lessee hereby assumes responsibility for and agrees to reimburse Lessor for all liabilities, obligations, losses, damages, penalties, claims, actions, costs and expenses (including reasonable attorneys' fees) of whatsoever kind and nature, imposed on, incurred by or asserted against Lessor that in any way relate to or arise out of a claim, suit or proceeding, based in whole or in part upon the negligent conduct of Lessee, its officers, employees and agents, to the maximum extent permitted by law.

**VI. Title and Security Interest**

**Section 6.01. Title.** Title to the Equipment shall vest in Lessee when Lessee acquires and accepts the Equipment. Title to the Equipment will automatically transfer to the Lessor in the event Lessee defaults under Section 9.01. In such event, Lessee shall execute and deliver to Lessor such documents as Lessor may request to evidence the passage of legal title to the Equipment to Lessor.

**Section 6.02. Security Interest.** To secure the payment of all Lessee's obligations under this Agreement, Lessee hereby grants to Lessor a security interest under the Uniform Commercial Code constituting a first lien on the Equipment described more fully on Exhibit "A". The security interest established by this section includes not only all additions, attachments, repairs and replacements to the Equipment but also all proceeds therefrom. Lessee authorizes Lessor to prepare and record any Financing Statement required under the Uniform Commercial Code to perfect the Security Interest created hereunder.

**VII. Assignment**

**Section 7.01. Assignment by Lessor.** All of Lessor's rights, title and/or interest in and to this Agreement may be assigned and reassigned in whole or in part to one or more assignees or sub-assignees (including a Registered Owner for Lease Participation Certificates) by Lessor at any time without the consent of Lessee. No such assignment shall be effective as against Lessee until the assignor shall have filed with Lessee written notice of assignment identifying the assignee. Lessee shall pay all Rental Payments due hereunder relating to such Equipment to or at the direction of Lessor or the assignee named in the notice of assignment. Lessee shall keep a complete and accurate record of all such assignments.

**Section 7.02. Assignment by Lessee.** None of Lessee's right, title and interest under this Agreement and in the Equipment may be assigned by Lessee unless Lessor approves of such assignment in writing before such assignment occurs and only after Lessee first obtains an opinion from nationally recognized counsel stating that such assignment will not jeopardize the tax-exempt status of the obligation.

**VIII. Maintenance of Equipment**

**Section 8.01.** Lessee shall keep the Equipment in good repair and working order. Lessor shall have no obligation to inspect, test, service, maintain, repair or make improvements or additions to the Equipment under any circumstances. Lessee will be liable for all damage to the Equipment, other than normal wear and tear, caused by Lessee, its employees or its agents. Lessee shall pay for and obtain all permits, licenses and taxes necessary for the installation, operation, possession, storage or use of the Equipment. If the Equipment includes any titled vehicle(s), then Lessee is responsible for obtaining such title(s) from the State and also for ensuring that Lessor is listed as First Lienholder on all of the title(s). Lessee shall not use the Equipment to haul, convey or transport hazardous waste as defined in the Resource Conservation and Recovery Act, 42 U.S.C. 6901 et. seq. Lessee shall not during the term of this Agreement create, incur or assume any levies, liens or encumbrances of any kind with respect to the Equipment except those created by this Agreement. Lessee agrees that Lessor or its Assignee may execute any additional documents including financing statements, affidavits, notices, and similar instruments, for and on behalf of Lessee which Lessor deems necessary or appropriate to protect Lessor's interest in the Equipment and in this Agreement. The Equipment is and shall at all times be and remain personal property. Lessee shall allow Lessor to examine and inspect the Equipment at all reasonable times.

**IX. Default**

**Section 9.01. Events of Default defined.** The following events shall constitute an "Event of Default" under this Agreement:

- (a) Failure by Lessee to pay any Rental Payment listed on Exhibit "B" for fifteen (15) days after such payment is due according to the Payment Date listed on Exhibit "B".
- (b) Failure to pay any other payment required to be paid under this Agreement at the time specified herein and a continuation of said failure for a period of fifteen (15) days after written notice by Lessor that such payment must be made. If Lessee continues to fail to pay any payment after such period, then Lessor may, but will not be obligated to, make such payments and charge Lessee for all costs incurred plus interest at the highest lawful rate.
- (c) Failure by Lessee to observe and perform any warranty, covenant, condition, promise or duty under this Agreement for a period of thirty (30) days after written notice specifying such failure is given to Lessee by Lessor, unless Lessor agrees in writing to an extension of time. Lessor will not unreasonably withhold its consent to an extension of time if corrective action is instituted by Lessee. Subsection (c) does not apply to Rental Payments and other payments discussed above.
- (d) Any statement, material omission, representation or warranty made by Lessee in or pursuant to this Agreement which proves to be false, incorrect or misleading on the date when made regardless of Lessee's intent and which materially adversely affects the rights or security of Lessor under this Agreement.
- (e) Any provision of this Agreement which ceases to be valid for whatever reason and the loss of such provision would materially adversely affect the rights or security of Lessor.
- (f) Lessee admits in writing its inability to pay its obligations. Lessee defaults on one or more of its other obligations. Lessee applies or consents to the appointment of a receiver or a custodian to manage its affairs. Lessee makes a general assignment for the benefit of creditors.

**Section 9.02. Remedies on Default.** Whenever any Event of Default exists, Lessor shall have the right to take one or any combination of the following remedial steps:



- (a) Lessor, with or without terminating this Agreement, may collect each installment of Rental Payments as it becomes due and payable with respect to the Equipment in accordance with Exhibit B.
- (b) Lessor, with or without terminating this Agreement, may repossess any or all of the Equipment by giving Lessee written notice to deliver the Equipment to the location designated by Lessor. In the event Lessee fails to do so within ten (10) days after receipt of such notice, Lessor may enter upon Lessee's premises where the Equipment is kept and take possession of the Equipment and charge Lessee for costs incurred in repossessing the Equipment, including reasonable attorneys' fees. Lessee hereby expressly waives any damages occasioned by such repossession. If the Equipment or any portion of it has been destroyed or damaged beyond repair, Lessee shall pay the applicable Purchase Option Price of the damaged or destroyed Equipment as set forth in the Rental Payment Schedule. Notwithstanding the fact that Lessor has taken possession of the Equipment, Lessee shall continue to be responsible for the Rental Payments with respect thereto as and when such Rental Payments become or would have become due and payable.
- (c) If Lessor, in its discretion, takes possession and disposes of the Equipment or any portion thereof, Lessor shall apply the proceeds of any such disposition to pay the following items in the following order: (i) all costs (including, but not limited to, attorneys' fees) incurred in securing possession of the Equipment; (ii) all expenses incurred in completing the disposition; (iii) any sales or transfer taxes; and (iv) the balance of any Rental Payments with respect thereto as and when such Rental Payment would become due and payable. Any disposition proceeds remaining after the requirements of clauses (i), (ii), (iii), (iv) have been met shall be paid to Lessee.
- (d) Lessor may take whatever action at law or in equity that may appear necessary or desirable to enforce its rights. Lessee shall be responsible to Lessor for all costs incurred by Lessor in the enforcement of its rights under this Agreement including, but not limited to, reasonable attorney fees.

**Section 9.03. No Remedy Exclusive.** No remedy herein conferred upon or reserved to Lessor is intended to be exclusive and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Agreement now or hereafter existing at law or in equity. No delay or omission to exercise any right or power accruing upon any default shall impair any such right or shall be construed to be a waiver thereof.

**Section 9.04. Return of Equipment and Storage.**

- (a) **Surrender:** The Lessee shall, at its own expense, surrender the Equipment to the Lessor in the event of a Default by delivering the Equipment to the Lessor to a location accessible by common carrier and designated by Lessor. In the case that any of the Equipment consists of software, Lessee shall destroy all intangible items constituting such software and shall deliver to Lessor all tangible items constituting such software. At Lessors request, Lessee shall also certify in a form acceptable to Lessor that Lessee has complied with the above software return provisions and that they will immediately cease using the software and that they shall permit Lessor and/or the vendor of the software to inspect Lessee's locations to verify compliance with the terms hereto.
- (b) **Delivery:** The Equipment shall be delivered to the location designated by the Lessor by a common carrier unless the Lessor agrees in writing that a common carrier is not needed. When the Equipment is delivered into the custody of a common carrier, the Lessee shall arrange for the shipping of the item and its insurance in transit in accordance with the Lessor's instructions and at the Lessee's sole expense. Lessee at its expense shall completely sever and disconnect the Equipment or its component parts from the Lessee's property all without liability to the Lessor. Lessee shall pack or crate the Equipment and all of the component parts of the Equipment carefully and in accordance with any recommendations of the manufacturer. The Lessee shall deliver to the Lessor the plans, specifications operation manuals or other warranties and documents furnished by the manufacturer or vendor on the equipment and such other documents in the Lessee's possession relating to the maintenance and methods of operation of such Equipment.
- (c) **Condition:** When the Equipment is surrendered to the Lessor it shall be in the condition and repair required to be maintained under this Agreement. It will also meet all legal regulatory conditions necessary for the Lessor to sell or lease it to a third party and be free of all liens. If Lessor reasonably determines that the Equipment or an item of the Equipment, once it is returned, is not in the condition required hereby, Lessor may cause the repair, service, upgrade, modification or overhaul of the Equipment or an item of the Equipment to achieve such condition and upon demand, Lessee shall promptly reimburse Lessor for all amounts reasonably expended in connection with the foregoing.
- (d) **Storage:** Upon written request by the Lessor, the Lessee shall provide free storage for the Equipment or any item of the Equipment for a period not to exceed 60 days after the expiration of its lease term before returning it to the Lessor. The Lessee shall arrange for the insurance described to continue in full force and effect with respect to such item during its storage period and the Lessor shall reimburse the Lessee on demand for the incremental premium cost of providing such insurance.

**X. Miscellaneous**

**Section 10.01. Notices.** All notices shall be sufficiently given and shall be deemed given when delivered or mailed by registered mail, postage prepaid, to the parties at their respective places of business as first set forth herein or as the parties shall designate hereafter in writing.

**Section 10.02. Binding Effect.** Lessee acknowledges this Agreement is not binding upon the Lessor or its assignees unless the Conditions to Funding listed on the Documentation Instructions have been met to Lessor's satisfaction, and Lessor has executed the Agreement. Thereafter, this Agreement shall inure to the benefit of and shall be binding upon Lessor and Lessee and their respective successors and assigns.

**Section 10.03. Severability.** In the event any provision of this Agreement shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

**Section 10.04. Amendments, Addenda, Changes or Modifications.** This Agreement may be amended, added to, changed or modified by written agreement duly executed by Lessor and Lessee.

**Section 10.05. Execution in Counterparts.** This Agreement may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

**Section 10.06. Captions.** The captions or headings in this Agreement do not define, limit or describe the scope or intent of any provisions or sections of this Agreement.

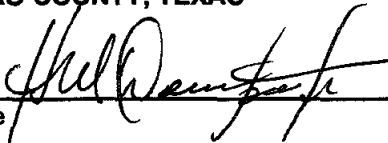
**Section 10.07. Master Lease.** This Agreement can be utilized as a Master Lease Agreement. This means that the Lessor and the Lessee may agree to the lease of additional Equipment under this Agreement at some point in the future by executing one or more Additional Schedules to Exhibit A, Exhibit B, Exhibit C and Exhibit D as well as other exhibits or documents that may be required by Lessor. Additional Schedules will be consecutively numbered on each of the exhibits which make up the Additional Schedule and all the terms and conditions of the Agreement shall govern each Additional Schedule.

**Section 10.08. Entire Writing.** This Agreement constitutes the entire writing between Lessor and Lessee. No waiver, consent, modification or change of terms of this Agreement shall bind either party unless in writing and signed by both parties, and then such waiver, consent, modification or change shall be effective only in the specific instance and for the specific purpose given. There are no understandings, agreements, representations, conditions, or warranties, express or implied, which are not specified herein regarding this Agreement or the Equipment leased hereunder. Any terms and conditions of any purchase order or other documents submitted by Lessee in connection with this Agreement which are in addition to or inconsistent with the terms and conditions of this Agreement will not be binding on Lessor and will not apply to this Agreement.

Lessor and Lessee have caused this Agreement to be executed in their names by their duly authorized representatives listed below.

**NAVARRO COUNTY, TEXAS**

**KANSAS STATE BANK OF MANHATTAN**

  
Signature

\_\_\_\_\_  
Signature

H. M. DAVENPORT, JR., COUNTY JUDGE  
Typed Name and Title

\_\_\_\_\_  
Typed Name and Title

**EXHIBIT A**  
**DESCRIPTION OF EQUIPMENT**

**RE: Lease With Option to Purchase Agreement dated as of September 1, 2009, between Kansas State Bank of Manhattan (Lessor) and Navarro County, Texas (Lessee)**

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Below is a detailed description of all the items of Equipment including quantity, model number and serial number where applicable:

Two (2) Mack GU Trucks, VIN: 1M1AX09Y59M007279 & 1M1AX09Y39M007278

Location of Equipment: NAVARRO COUNTY PRECINCT 3 BARN

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## EXHIBIT B

## PAYMENT SCHEDULE

RE: Lease With Option to Purchase Agreement dated as of September 1, 2009, between Kansas State Bank of Manhattan (Lessor) and Navarro County, Texas (Lessee)

Date of First Payment:	October 1, 2009
Original Balance:	\$175,501.00
Total Number of Payments:	Forty-Nine (49)
Number of Payments Per Year:	Twelve (12)

Pmt No.	Due Date	Rental Payment	Applied to Interest	Applied to Principal	*Purchase Option Price
1	1-Oct-09	\$2,786.79	\$759.04	\$2,027.75	Not Available
2	1-Nov-09	\$2,786.79	\$750.27	\$2,036.52	Not Available
3	1-Dec-09	\$2,786.79	\$741.46	\$2,045.33	\$173,681.75
4	1-Jan-10	\$2,786.79	\$732.61	\$2,054.18	\$171,499.95
5	1-Feb-10	\$2,786.79	\$723.73	\$2,063.06	\$169,310.55
6	1-Mar-10	\$2,786.79	\$714.81	\$2,071.98	\$167,113.53
7	1-Apr-10	\$2,786.79	\$705.84	\$2,080.95	\$164,908.85
8	1-May-10	\$2,786.79	\$696.84	\$2,089.95	\$162,696.49
9	1-Jun-10	\$2,786.79	\$687.81	\$2,098.98	\$160,476.43
10	1-Jul-10	\$2,786.79	\$678.73	\$2,108.06	\$158,248.63
11	1-Aug-10	\$2,786.79	\$669.61	\$2,117.18	\$156,013.07
12	1-Sep-10	\$2,786.79	\$660.45	\$2,126.34	\$153,769.73
13	1-Oct-10	\$2,786.79	\$651.26	\$2,135.53	\$151,518.57
14	1-Nov-10	\$2,786.79	\$642.02	\$2,144.77	\$149,259.57
15	1-Dec-10	\$2,786.79	\$632.74	\$2,154.05	\$146,992.70
16	1-Jan-11	\$2,786.79	\$623.43	\$2,163.36	\$144,717.93
17	1-Feb-11	\$2,786.79	\$614.07	\$2,172.72	\$142,435.24
18	1-Mar-11	\$2,786.79	\$604.68	\$2,182.11	\$140,144.60
19	1-Apr-11	\$2,786.79	\$595.24	\$2,191.55	\$137,845.98
20	1-May-11	\$2,786.79	\$585.76	\$2,201.03	\$135,539.35
21	1-Jun-11	\$2,786.79	\$576.24	\$2,210.55	\$133,224.69
22	1-Jul-11	\$2,786.79	\$566.68	\$2,220.11	\$130,901.97
23	1-Aug-11	\$2,786.79	\$557.08	\$2,229.71	\$128,571.16
24	1-Sep-11	\$2,786.79	\$547.43	\$2,239.36	\$126,232.23
25	1-Oct-11	\$2,786.79	\$537.75	\$2,249.04	\$123,885.15
26	1-Nov-11	\$2,786.79	\$528.02	\$2,258.77	\$121,529.89
27	1-Dec-11	\$2,786.79	\$518.25	\$2,268.54	\$119,166.43
28	1-Jan-12	\$2,786.79	\$508.44	\$2,278.35	\$116,794.74
29	1-Feb-12	\$2,786.79	\$498.59	\$2,288.20	\$114,414.79
30	1-Mar-12	\$2,786.79	\$488.69	\$2,298.10	\$112,026.54
31	1-Apr-12	\$2,786.79	\$478.75	\$2,308.04	\$109,629.98

EXHIBIT B

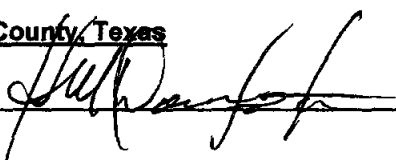
PAYMENT SCHEDULE  
(Continued)

RE: Lease With Option to Purchase Agreement dated as of September 1, 2009, between Kansas State Bank of Manhattan (Lessor) and Navarro County, Texas (Lessee)

Pmt No.	Due Date	Rental Payment	Applied to Interest	Applied to Principal	*Purchase Option Price
32	1-May-12	\$2,786.79	\$468.77	\$2,318.02	\$107,225.07
33	1-Jun-12	\$2,786.79	\$458.74	\$2,328.05	\$104,811.78
34	1-Jul-12	\$2,786.79	\$448.68	\$2,338.11	\$102,390.08
35	1-Aug-12	\$2,786.79	\$438.56	\$2,348.23	\$99,959.95
36	1-Sep-12	\$2,786.79	\$428.41	\$2,358.38	\$97,521.35
37	1-Oct-12	\$2,786.79	\$418.21	\$2,368.58	\$95,074.26
38	1-Nov-12	\$2,786.79	\$407.96	\$2,378.83	\$92,618.65
39	1-Dec-12	\$2,786.79	\$397.68	\$2,389.11	\$90,154.48
40	1-Jan-13	\$2,786.79	\$387.34	\$2,399.45	\$87,681.73
41	1-Feb-13	\$2,786.79	\$376.96	\$2,409.83	\$85,200.36
42	1-Mar-13	\$2,786.79	\$366.54	\$2,420.25	\$82,710.35
43	1-Apr-13	\$2,786.79	\$356.07	\$2,430.72	\$80,211.67
44	1-May-13	\$2,786.79	\$345.56	\$2,441.23	\$77,704.28
45	1-Jun-13	\$2,786.79	\$335.00	\$2,451.79	\$75,188.16
46	1-Jul-13	\$2,786.79	\$324.40	\$2,462.39	\$72,663.28
47	1-Aug-13	\$2,786.79	\$313.75	\$2,473.04	\$70,129.60
48	1-Sep-13	\$2,786.79	\$303.05	\$2,483.74	\$67,587.09
49	1-Sep-13	\$67,587.10	\$0.02	\$67,587.08	\$0.00

Navarro County, Texas

Signature



H. M. DAVENPORT, JR., COUNTY JUDGE

Typed Name and Title

\*Assumes all Rental Payments due to date are paid

EXHIBIT C

CERTIFICATE OF ACCEPTANCE

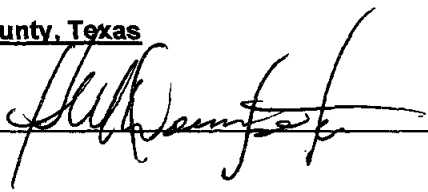
RE: Lease With Option to Purchase Agreement dated as of September 1, 2009, between Kansas State Bank of Manhattan (Lessor) and Navarro County, Texas (Lessee)

I, the undersigned, hereby certify that I am a duly qualified representative of Lessee and that I have been given the authority by the Governing Body of Lessee to sign this Certificate of Acceptance with respect to the above referenced Agreement. I hereby certify that:

1. The Equipment described on Exhibit A has been delivered and installed in accordance with Lessee's specifications.
2. Lessee has conducted such inspection and/or testing of the Equipment as it deems necessary and appropriate and hereby acknowledges that it accepts the Equipment for all purposes.
3. Lessee has appropriated and/or taken other lawful actions necessary to provide moneys sufficient to pay all Rental Payments required to be paid under the Agreement pursuant to the Public Property Finance Act.
4. Lessee has obtained insurance coverage as required under the Agreement from an insurer qualified to do business in the State.
5. No event or condition that constitutes or would constitute an Event of Default exists as of the date hereof.
6. The governing body of Lessee has approved the authorization, execution and delivery of this Agreement on its behalf by the authorized representative of Lessee who signed the Agreement.
7. Please list the Source of Funds (Fund Item in Budget) for the Rental Payments that come due under Exhibit B of this Agreement.

\_\_\_\_\_  
If the above Source of Funds is solely a grant type fund, then the Lessee, by signing below, hereby authorizes the General Fund of the Lessee as a backup source of funds from which the Rental Payments can be made.

Navarro County, Texas

Signature 

H. M. DAVENPORT, JR., COUNTY JUDGE  
Typed Name and Title

EXHIBIT D

LESSEE RESOLUTION

RE: Lease With Option to Purchase Agreement ("Agreement") dated as of September 1, 2009, between Kansas State Bank of Manhattan (Lessor) and Navarro County, Texas (Lessee)

At a duly called meeting of the Governing Body of the Lessee (as defined in the Agreement) held on SEPTEMBER 14, 2009 the following resolution was introduced and adopted:

BE IT RESOLVED by the Governing Body of Lessee as follows:

- 1. Determination of Need. The Governing Body of Lessee has determined that a true and very real need exists for the acquisition of the Equipment described on Exhibit A of the Lease With Option to Purchase Agreement dated as of September 1, 2009, between Navarro County, Texas (Lessee) and Kansas State Bank of Manhattan (Lessor).
2. Personal Property Finance Act. The Governing Body of Lessee will enter into the Agreement, together with all related documents, as authorized by the Public Property Finance Act, Subchapter A, Chapter 271, Local Government Code (the "PPFA").
3. Pledge of Taxes. For each year in which Rental Payments are due pursuant to the Agreement, there shall be levied, as authorized by the PPFA, an ad valorem tax within the limits prescribed by law that is sufficient (together with other funds lawfully available to Lessee and applied for such purpose) to provide for the timely payment of Rental Payments when due.
4. Approval and Authorization. The Governing Body of Lessee has determined that the Agreement, substantially in the form presented to this meeting, is in the best interests of the Lessee for the acquisition of such Equipment, and the Governing Body hereby approves the entering into of the Agreement by the Lessee and hereby designates and authorizes the following person(s) to execute and deliver the Agreement on Lessee's behalf with such changes thereto as such person(s) deem(s) appropriate, and any related documents, including any Escrow Agreement, necessary to the consummation of the transaction contemplated by the Agreement.

Authorized Individual(s): H. M. DAVENPORT, JR COUNTY JUDGE & KATHY B. HOLLOMON, COUNTY AUDITOR (Printed or Typed Name and Title of individual(s) authorized to execute the Agreement)

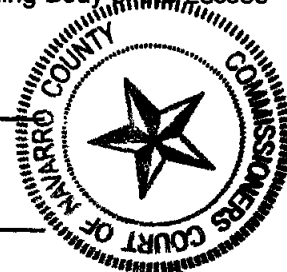
5. Adoption of Resolution. The signatures below from the designated individuals from the Governing Body of the Lessee evidence the adoption by the Governing Body of this Resolution.

Signature: Sherry Dowd (Signature of Secretary, Board Chairman or other member of the Governing Body)

Typed Name & Title SHERRY DOWD, COUNTY CLERK (Typed Name and Title of individual who signed directly above)

Attested By: Kathy B. Hollomon (Signature of one additional person who can witness the passage of this Resolution)

Typed Name & Title: KATHY B. HOLLOMON, COUNTY AUDITOR (Typed name of individual who signed directly above)



**BANK QUALIFIED CERTIFICATE**

**RE: Lease With Option to Purchase Agreement dated as of September 1, 2009, between Kansas State Bank of Manhattan (Lessor) and Navarro County, Texas (Lessee)**

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Whereas, Lessee hereby represents that it is a "Bank Qualified" Issuer for the calendar year in which this Agreement is executed by making the following designations with respect to Section 265 of the Internal Revenue Code. (A "Bank Qualified Issuer" is an issuer that issues less than thirty million (\$30,000,000) dollars of tax-exempt obligations during the calendar year).

Now, therefor, Lessee hereby designates this Agreement as follows:

1. **Designation as Qualified Tax-Exempt Obligation.** Pursuant to Section 265(b)(3)(B)(i) of the Internal Revenue Code of 1986 as amended (the "Code"), the Lessee hereby specifically designates the Agreement as a "qualified tax-exempt obligation" for purposes of Section 265(b)(3) of the Code. In compliance with Section 265(b)(3)(D) of the Code, the Lessee hereby represents that the Lessee will not designate more than \$30,000,000 of obligations issued by the Lessee in the calendar year during which the Agreement is executed and delivered as such "qualified tax-exempt obligations".
  
2. **Issuance Limitation.** In compliance with the requirements of Section 265(b)(3)(C) of the Code, the Lessee hereby represents that the Lessee (including all subordinate entities of the Lessee within the meaning of Section 265(b)(3)(E) of the Code) reasonably anticipates not to issue in the calendar year during which the Agreement is executed and delivered, obligations bearing interest exempt from federal income taxation under Section 103 of the Code (other than "private activity bonds" as defined in Section 141 of the Code) in an amount greater than \$30,000,000.

Navarro County, Texas

  
\_\_\_\_\_  
Signature

KATHY B. HOLLOMON, COUNTY AUDITOR  
\_\_\_\_\_  
Typed Name and Title

# INSURANCE REQUIREMENTS

Pursuant to Article V in the Lease With Option to Purchase Agreement, you have agreed to provide us evidence of insurance covering the property in the Agreement. A Certificate of Insurance naming all insured parties and coverages must be determined to us as soon as possible, but no later than the date on which delivery of equipment occurs. **If you have not taken possession of the equipment, please write a memo to Kansas State Bank stating your carrier, insurance agent and telephone number to reach them upon delivery.**

**In the case of self-insurance, the amounts of liability and physical damage coverage are to be listed on some form of certificate supplied by you. In addition, information regarding the nature of your self-insurance program should also be forwarded to us as soon as possible.**

## INSURANCE REQUIREMENTS BY KANSAS STATE BANK OF MANHATTAN:

1. **LIABILITY**  
 ✓ *Minimum of \$1,000,000.00 combined single-limit on bodily injury and property damage.*  
 ✓ *Kansas State Bank and/or Its Assigns **MUST** be listed as additional insured and loss payee.*
2. **PHYSICAL DAMAGE**  
 ✓ *All risk coverage to guarantee proceeds sufficient to pay the applicable Purchase Option Price as set forth in Exhibit B of the Agreement. Kansas State Bank and/or Its Assigns **MUST** be listed as additional insured and loss payee.*
3. **ENDORSEMENT**  
 ✓ *Lessor will receive at least thirty (30) days written notice from Insurer prior to alteration, cancellation or reduction of insurance coverage.*

**PLEASE FAX THE CERTIFICATE TO US AS SOON AS POSSIBLE AT (785) 537-4806, AND MAIL THE ORIGINAL TO:**

Kansas State Bank and/or Its Assigns  
1010 Westloop, P.O. Box 69  
Manhattan, Kansas 66505-0069

**YOUR ASSISTANCE IS GREATLY APPRECIATED TO COMPLETE THIS TRANSACTION, IF YOU HAVE ANY QUESTIONS, PLEASE GIVE US A CALL AT (800) 752-3562.**

*Navarro County, Texas*

Insurance Company: TEXAS ASSOCIATION OF COUNTIES

Agent's Name: ALEXANDRA ADUDELL

Telephone #: 800-456-5974

Fax #: 512-478-1426

Address, City, State & Zip: 1210 SAN ANTONIO STREET, AUSTIN, TEXAS 78701-1834



50

Form **8038-G**  
(Rev. November 2000)  
Department of the Treasury  
Internal Revenue Service

### Information Return for Tax-Exempt Governmental Obligations

Under Internal Revenue Code section 149(e)

See separate instructions.

OMB No. 1545-0720

Caution: If the issue price is under \$100,000, use Form 8038-GC.

<b>Part I Reporting Authority</b>			If Amended Return, check here <input type="checkbox"/>	
1 Issuer's name <b>NAVARRO COUNTY</b>	2 Issuer's employer identification number <b>75 6001092</b>			
3 Number and street (or P.O. box if mail is not delivered to street address) <b>300 W. THIRD AVE.</b>	Room/suite	4 Report number <b>3 001</b>		
5 City, town, or post office, state, and ZIP code <b>CORSICANA, TEXAS 75110</b>		6 Date of issue		
7 Name of issue <b>Lease with Option to Purchase (2) 2009 Mack GU713</b>		8 CUSIP number <b>None</b>		
9 Name and title of officer or legal representative whom the IRS may call for more information <b>Kathy B. Hollomon County Auditor</b>		10 Telephone number of officer or legal representative <b>( 903 ) 654-3095</b>		

<b>Part II Type of Issue (check applicable box(es) and enter the issue price)</b> See instructions and attach schedule	
11 <input type="checkbox"/> Education	11
12 <input type="checkbox"/> Health and hospital	12
13 <input type="checkbox"/> Transportation	13
14 <input type="checkbox"/> Public safety	14
15 <input type="checkbox"/> Environment (including sewage bonds)	15
16 <input type="checkbox"/> Housing	16
17 <input type="checkbox"/> Utilities	17
18 <input type="checkbox"/> Other. Describe <input type="checkbox"/>	18
19 If obligations are TANs or RANs, check box <input type="checkbox"/> If obligations are BANs, check box <input type="checkbox"/>	
20 If obligations are in the form of a lease or installment sale, check box <input checked="" type="checkbox"/>	

<b>Part III Description of Obligations. Complete for the entire issue for which this form is being filed.</b>				
(a) Final maturity date	(b) Issue price	(c) Stated redemption price at maturity	(d) Weighted average maturity	(e) Yield
21	\$ <b>175706.00</b>	\$ <b>N/A</b>	<b>4</b> years	<b>5.19 %</b>

<b>Part IV Uses of Proceeds of Bond Issue (including underwriters' discount)</b>	
22 Proceeds used for accrued interest	22
23 Issue price of entire issue (enter amount from line 21, column (b))	23
24 Proceeds used for bond issuance costs (including underwriters' discount)	24
25 Proceeds used for credit enhancement	25
26 Proceeds allocated to reasonably required reserve or replacement fund	26
27 Proceeds used to currently refund prior issues	27
28 Proceeds used to advance refund prior issues	28
29 Total (add lines 24 through 28)	29
30 Nonrefunding proceeds of the issue (subtract line 29 from line 23 and enter amount here)	30

<b>Part V Description of Refunded Bonds (Complete this part only for refunding bonds.)</b>	
31 Enter the remaining weighted average maturity of the bonds to be currently refunded	_____ years
32 Enter the remaining weighted average maturity of the bonds to be advance refunded	_____ years
33 Enter the last date on which the refunded bonds will be called	_____
34 Enter the date(s) the refunded bonds were issued	_____

<b>Part VI Miscellaneous</b>	
35 Enter the amount of the state volume cap allocated to the issue under section 141(b)(5)	35
36a Enter the amount of gross proceeds invested or to be invested in a guaranteed investment contract (see instructions)	36a
b Enter the final maturity date of the guaranteed investment contract	37a
37 Pooled financings: a Proceeds of this issue that are to be used to make loans to other governmental units	
b If this issue is a loan made from the proceeds of another tax-exempt issue, check box <input type="checkbox"/> and enter the name of the issuer _____ and the date of the issue _____	
38 If the issuer has designated the issue under section 265(b)(3)(B)(i)(III) (small issuer exception), check box <input type="checkbox"/>	
39 If the issuer has elected to pay a penalty in lieu of arbitrage rebate, check box <input type="checkbox"/>	
40 If the issuer has identified a hedge, check box <input type="checkbox"/>	

Under penalties of perjury, I declare that I have examined this return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete.

**Sign Here**

*Kathy B. Hollomon* 9/14/2009 **Kathy B. Hollomon, County Auditor**

Signature of issuer's authorized representative Date Type or print name and title



**RISK MANAGEMENT POOL**

**CERTIFICATE OF AUTOMOBILE LIABILITY COVERAGE**

The Texas Association of Counties Risk Management Pool is created by Chapter 119 of the Local Government Code to enable each county to provide self insurance coverage against liability claims. The specified county participates in this Pool under an agreement pursuant to the provisions of and operates under the Chapter 791, Texas Government Code Annotated.

**NAME AND ADDRESS OF COVERED COUNTY:**

Navarro County  
300 West Third Avenue, Suite 14  
Corsicana, TX 75110

Coverage Agreement No.: AL 1750 2009 01 01

Coverage Period: 9/8/2009 to 1/1/2010

**AUTOMOBILE LIABILITY**

Includes the following coverages:

- Any Auto
- All Owned Autos
- Scheduled Autos
- Hired Autos
- Non-Owned Autos

Limits of Liability:

Bodily Injury  
 \$100,000 per person  
 \$300,000 per occurrence


Property Damage  
 \$100,000 per occurrence

Deductible: \$1,000

With respect to the following vehicle:  
 2009 MACK GU713 #7278  
 2009 MACK GU713 #7279  
 2009 CPS DU #0300

This certificate is issued as a matter of information only and confers no rights upon the certificate holder. This certificate does not amend, extend or alter the coverage afforded by the Pool. The certificate does verify that coverage has been placed in force for the period indicated above. Notwithstanding any requirement, term or condition of any contract or other document with respect to which this certificate may be issued or may pertain, the coverage provided by the Pool described herein is subject to all the terms, exclusions and conditions of the coverage document issued by the Pool. The coverage is primary without right of contribution from any insurance carried by any additional insured. Should any of the above described coverage be altered or cancelled the Pool will endeavor to mail ten days written notice to the certificate holder, but failure to mail such notice shall impose no obligation or liability of any kind upon the Pool.

**Additional Insured**  
Kansas State Bank and/or its Assigns  
1010 Westloop, PO Box 69  
Manhattan, Kansas 66505-0069

  
**Authorized Representative**  
 Texas Association of Counties  
 1210 San Antonio St.  
 Austin, TX 78701-1834  
 (512) 478-8753

*Certificate Issued*  
*Wednesday, September 09, 2009*

## AUTO LIABILITY

### Additional Insured Endorsement

This endorsement modifies the Auto Liability Coverage Document to which it is attached. This change is effective on the inception date of the Document unless another date is indicated below.

The following provision is added to Section I, B. – Who is Covered

4.        **Kansas State Bank and/or its Assigns**  
             1010 Westloop, PO Box 69  
             Manhattan, Kansas 66505-0069

is an additional insured, but only with respect to the legal responsibility for acts or omissions of a **covered person** for whom liability coverage is afforded under this **document**.

The additional insured is not required to pay for any contributions stated in this **document** or earned from this **document**. Any return contribution, if applicable, declared by the **Pool** shall be paid to the **Named Member**.

The **Named Member** is authorized to act for the additional insured in all matters pertaining to this coverage.

The **Pool** will mail the additional insured notice of any cancellation of this document. If this cancellation is by the **Pool**, the **Pool** will give ten days notice to the additional insured.

Should this coverage be cancelled, the **Pool** will endeavor to provide the **additional insured** with notice of the cancellation 10 days before the coverage is cancelled, but failure to do so shall not affect the validity of the cancellation, nor shall it impose any obligation or liability of any kind upon the **Pool**.

ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS OF THE COVERAGE REMAIN UNCHANGED.

Endorsement: AL/ADDINS

Endorsement Effective Date: Tuesday, September 08, 2009

Named Member: Navarro County

Attached to and forming part of Coverage Document Number: AL 1750 2009 01 01

# RISK MANAGEMENT POOL

## CERTIFICATE OF AUTO PHYSICAL DAMAGE COVERAGE

The Texas Association of Counties Risk Management Pool is created to enable each county or county-related governmental entity to provide self insurance coverage against physical damage claims. The specified county or county related governmental entity participates in this Fund under an agreement pursuant to the provisions of and operates under the Chapter 791, Texas Government Code Annotated.

### NAME AND ADDRESS OF COVERED COUNTY:

Navarro County  
300 West Third Avenue, Suite 14  
Corsicana, TX 75110

Coverage Agreement No.: APD 1750 2009 01 01

Coverage Period: 9/8/2009 to 1/1/2010

### AUTO PHYSICAL DAMAGE

#### Includes the following coverages:

Comprehensive  
(All causes of physical loss other than collision)  
Deductible: \$1,000

Collision  
Deductible: \$1,000

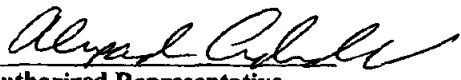
#### With respect to the following vehicles:

2009 MACK GU713 #7278  
2009 MACK GU713 #7279  
2009 CPS DU #0300

Total New Cost: \$222,001

This certificate is issued as a matter of information only and confers no rights upon the certificate holder. This certificate does not amend, extend or alter the coverage afforded by the Pool. The certificate does verify that coverage has been placed in force for the period indicated above. Notwithstanding any requirement, term or condition of any contract or other document with respect to which this certificate may be issued or may pertain, the coverage provided by the Pool described herein is subject to all the terms, exclusions and conditions of the coverage document issued by the Pool. The coverage is primary without right of contribution from any insurance carried by any additional insured. Should any of the above described coverage be altered or cancelled the Pool will endeavor to mail ten days written notice to the certificate holder, but failure to mail such notice shall impose no obligation or liability of any kind upon the Pool.

**Lien Holder / Loss Payee**  
Kansas State Bank and/or its Assigns  
1010 Westloop, PO Box 69  
Manhattan, Kansas 66505-0069

  
**Authorized Representative**  
Texas Association of Counties  
1210 San Antonio St.  
Austin, TX 78701-1834  
(512) 478-8753

*Certificate Issued*  
*Wednesday, September 09, 2009*



**Kansas State Bank**

1010 Westloop, P.O. Box 69  
Manhattan, KS 66505-0069

**INVOICE**

**DATE:** September 1, 2009

**To:**  
Navarro County, Texas  
300 W. 3rd Ave.  
Corsicana, Texas 75110

**Re:**  
Financing for Two (2) Mack GU Trucks

DESCRIPTION	AMOUNT
First rental payment due October 1, 2009.	\$2,786.79
SUBTOTAL	\$2,786.79
SALES TAX	
SHIPPING & HANDLING	
<b>TOTAL DUE</b>	<b>\$2,786.79</b>

**Make all checks payable to: Kansas State Bank of Manhattan**

**If you have any questions concerning this invoice, call: Andrea Parsons @ 800-752-3562**

**EXHIBIT A****DESCRIPTION OF EQUIPMENT**

**RE: Lease With Option to Purchase Agreement dated as of September 1, 2009, between Kansas State Bank of Manhattan (Lessor) and Navarro County, Texas (Lessee)**

---

Below is a detailed description of all the items of Equipment including quantity, model number and serial number where applicable:

One (1) Trailer, VIN: 5MC11162X9P010300

Location of Equipment: NAVARRO COUNTY PRECINCT 3 BARN

---

## EXHIBIT B

## PAYMENT SCHEDULE

RE: Lease With Option to Purchase Agreement dated as of September 1, 2009, between Kansas State Bank of Manhattan (Lessor) and Navarro County, Texas (Lessee)

Date of First Payment:	October 1, 2009
Original Balance:	\$28,895.00
Total Number of Payments:	Forty-Eight (48)
Number of Payments Per Year:	Twelve (12)

Pmt No.	Due Date	Rental Payment	Applied to Interest	Applied to Principal	*Purchase Option Price
1	1-Oct-09	\$665.30	\$120.15	\$545.15	Not Available
2	1-Nov-09	\$665.30	\$117.89	\$547.41	\$28,394.11
3	1-Dec-09	\$665.30	\$115.61	\$549.69	\$27,820.62
4	1-Jan-10	\$665.30	\$113.33	\$551.97	\$27,245.27
5	1-Feb-10	\$665.30	\$111.03	\$554.27	\$26,668.06
6	1-Mar-10	\$665.30	\$108.72	\$556.58	\$26,088.99
7	1-Apr-10	\$665.30	\$106.41	\$558.89	\$25,508.04
8	1-May-10	\$665.30	\$104.09	\$561.21	\$24,925.22
9	1-Jun-10	\$665.30	\$101.75	\$563.55	\$24,340.51
10	1-Jul-10	\$665.30	\$99.41	\$565.89	\$23,753.91
11	1-Aug-10	\$665.30	\$97.06	\$568.24	\$23,165.41
12	1-Sep-10	\$665.30	\$94.69	\$570.61	\$22,575.01
13	1-Oct-10	\$665.30	\$92.32	\$572.98	\$21,982.70
14	1-Nov-10	\$665.30	\$89.94	\$575.36	\$21,388.48
15	1-Dec-10	\$665.30	\$87.55	\$577.75	\$20,792.34
16	1-Jan-11	\$665.30	\$85.14	\$580.16	\$20,194.27
17	1-Feb-11	\$665.30	\$82.73	\$582.57	\$19,594.26
18	1-Mar-11	\$665.30	\$80.31	\$584.99	\$18,992.31
19	1-Apr-11	\$665.30	\$77.88	\$587.42	\$18,388.42
20	1-May-11	\$665.30	\$75.43	\$589.87	\$17,782.58
21	1-Jun-11	\$665.30	\$72.98	\$592.32	\$17,174.78
22	1-Jul-11	\$665.30	\$70.52	\$594.78	\$16,565.01
23	1-Aug-11	\$665.30	\$68.04	\$597.26	\$15,953.27
24	1-Sep-11	\$665.30	\$65.56	\$599.74	\$15,339.55
25	1-Oct-11	\$665.30	\$63.07	\$602.23	\$14,723.85
26	1-Nov-11	\$665.30	\$60.56	\$604.74	\$14,106.16
27	1-Dec-11	\$665.30	\$58.05	\$607.25	\$13,486.47
28	1-Jan-12	\$665.30	\$55.52	\$609.78	\$12,864.78
29	1-Feb-12	\$665.30	\$52.99	\$612.31	\$12,241.08
30	1-Mar-12	\$665.30	\$50.44	\$614.86	\$11,615.36
31	1-Apr-12	\$665.30	\$47.88	\$617.42	\$10,987.62
32	1-May-12	\$665.30	\$45.32	\$619.98	\$10,357.85

## EXHIBIT B

PAYMENT SCHEDULE  
(Continued)

RE: Lease With Option to Purchase Agreement dated as of September 1, 2009, between Kansas State Bank of Manhattan (Lessor) and Navarro County, Texas (Lessee)

Pmt No.	Due Date	Rental Payment	Applied to Interest	Applied to Principal	*Purchase Option Price
33	1-Jun-12	\$665.30	\$42.74	\$622.56	\$9,726.04
34	1-Jul-12	\$665.30	\$40.15	\$625.15	\$9,092.19
35	1-Aug-12	\$665.30	\$37.55	\$627.75	\$8,456.29
36	1-Sep-12	\$665.30	\$34.94	\$630.36	\$7,818.33
37	1-Oct-12	\$665.30	\$32.32	\$632.98	\$7,178.31
38	1-Nov-12	\$665.30	\$29.69	\$635.61	\$6,536.22
39	1-Dec-12	\$665.30	\$27.04	\$638.26	\$5,892.05
40	1-Jan-13	\$665.30	\$24.39	\$640.91	\$5,245.80
41	1-Feb-13	\$665.30	\$21.72	\$643.58	\$4,597.46
42	1-Mar-13	\$665.30	\$19.05	\$646.25	\$3,947.03
43	1-Apr-13	\$665.30	\$16.36	\$648.94	\$3,294.49
44	1-May-13	\$665.30	\$13.66	\$651.64	\$2,639.84
45	1-Jun-13	\$665.30	\$10.95	\$654.35	\$1,983.08
46	1-Jul-13	\$665.30	\$8.23	\$657.07	\$1,324.19
47	1-Aug-13	\$665.30	\$5.50	\$659.80	\$663.17
48	1-Sep-13	\$665.30	\$2.74	\$662.56	\$0.00

Navarro County, Texas

Signature

H. M. DAVENPORT, JR., COUNTY JUDGE

Typed Name and Title

\*Assumes all Rental Payments due to date are paid



EXHIBIT C

CERTIFICATE OF ACCEPTANCE

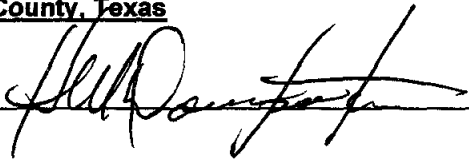
RE: Lease With Option to Purchase Agreement dated as of September 1, 2009, between Kansas State Bank of Manhattan (Lessor) and Navarro County, Texas (Lessee)

I, the undersigned, hereby certify that I am a duly qualified representative of Lessee and that I have been given the authority by the Governing Body of Lessee to sign this Certificate of Acceptance with respect to the above referenced Agreement. I hereby certify that:

1. The Equipment described on Exhibit A has been delivered and installed in accordance with Lessee's specifications.
2. Lessee has conducted such inspection and/or testing of the Equipment as it deems necessary and appropriate and hereby acknowledges that it accepts the Equipment for all purposes.
3. Lessee has appropriated and/or taken other lawful actions necessary to provide moneys sufficient to pay all Rental Payments required to be paid under the Agreement pursuant to the Public Property Finance Act.
4. Lessee has obtained insurance coverage as required under the Agreement from an insurer qualified to do business in the State.
5. No event or condition that constitutes or would constitute an Event of Default exists as of the date hereof.
6. The governing body of Lessee has approved the authorization, execution and delivery of this Agreement on its behalf by the authorized representative of Lessee who signed the Agreement.
7. Please list the Source of Funds (Fund Item in Budget) for the Rental Payments that come due under Exhibit B of this Agreement.

\_\_\_\_\_  
If the above Source of Funds is solely a grant type fund, then the Lessee, by signing below, hereby authorizes the General Fund of the Lessee as a backup source of funds from which the Rental Payments can be made.

Navarro County, Texas

Signature 

H. M. DAVENPORT, JR., COUNTY JUDGE  
Typed Name and Title

EXHIBIT D

LESSEE RESOLUTION

RE: Lease With Option to Purchase Agreement ("Agreement") dated as of September 1, 2009, between Kansas State Bank of Manhattan (Lessor) and Navarro County, Texas (Lessee)

At a duly called meeting of the Governing Body of the Lessee (as defined in the Agreement) held on SEPTEMBER 14, 2009 the following resolution was introduced and adopted:

BE IT RESOLVED by the Governing Body of Lessee as follows:

- 1. Determination of Need. The Governing Body of Lessee has determined that a true and very real need exists for the acquisition of the Equipment described on Exhibit A of the Lease With Option to Purchase Agreement dated as of September 1, 2009, between Navarro County, Texas (Lessee) and Kansas State Bank of Manhattan (Lessor).
2. Personal Property Finance Act. The Governing Body of Lessee will enter into the Agreement, together with all related documents, as authorized by the Public Property Finance Act, Subchapter A, Chapter 271, Local Government Code (the "PPFA").
3. Pledge of Taxes. For each year in which Rental Payments are due pursuant to the Agreement, there shall be levied, as authorized by the PPFA, an ad valorem tax within the limits prescribed by law that is sufficient (together with other funds lawfully available to Lessee and applied for such purpose) to provide for the timely payment of Rental Payments when due.
4. Approval and Authorization. The Governing Body of Lessee has determined that the Agreement, substantially in the form presented to this meeting, is in the best interests of the Lessee for the acquisition of such Equipment, and the Governing Body hereby approves the entering into of the Agreement by the Lessee and hereby designates and authorizes the following person(s) to execute and deliver the Agreement on Lessee's behalf with such changes thereto as such person(s) deem(s) appropriate, and any related documents, including any Escrow Agreement, necessary to the consummation of the transaction contemplated by the Agreement.

Authorized Individual(s): H. M. DAVENPORT, JR., COUNTY JUDGE & KATHY B. HOLLOMON, COUNTY AUDITOR (Printed or Typed Name and Title of individual(s) authorized to execute the Agreement)

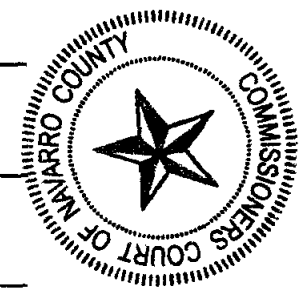
5. Adoption of Resolution. The signatures below from the designated individuals from the Governing Body of the Lessee evidence the adoption by the Governing Body of this Resolution.

Signature: Sherry Dowd (Signature of Secretary, Board Chairman or other member of the Governing Body)

Typed Name & Title SHERRY DOWD, COUNTY CLERK (Typed Name and Title of individual who signed directly above)

Attested By: Kathy B. Hollomon (Signature of one additional person who can witness the passage of this Resolution)

Typed Name & Title: KATHY B. HOLLOMON, COUNTY AUDITOR (Typed name of individual who signed directly above)



**Information Return for Small Tax-Exempt  
Governmental Bond Issues, Leases, and Installment Sales**  
► Under Internal Revenue Code section 149(e)

OMB No. 1545-0720

Caution: If the issue price of the issue is \$100,000 or more, use Form 8038-G.

<b>Part I Reporting Authority</b>		Check box if Amended Return <input type="checkbox"/>	
1 Issuer's name <b>Navarro County</b>		2 Issuer's employer identification number <b>75 6001092</b>	
3 Number and street (or P.O. box if mail is not delivered to street address) <b>300 W. Third Ave.</b>		Room/suite <b>10</b>	
4 City, town, or post office, state, and ZIP code <b>Corsicana, Texas 75110</b>		5 Report number (For IRS Use Only) <b>5</b>	
6 Name and title of officer or legal representative whom the IRS may call for more information <b>Kathy B. Hollomon, County Auditor</b>		7 Telephone number of officer or legal representative <b>( 903 ) 654-3095</b>	

<b>Part II Description of Obligations</b> Check one: a single issue <input type="checkbox"/> or a consolidated return <input type="checkbox"/>		
8a Issue price of obligation(s) (see instructions)	8a	28500 00
b Issue date (single issue) or calendar date (consolidated). Enter date in mm/dd/yyyy format (for example, 01/01/2009) (see instructions) ► <b>09 / 14 / 2009</b>		
9 Amount of the reported obligation(s) on line 8a that is:		
a For leases for vehicles	9a	
b For leases for office equipment	9b	
c For leases for real property	9c	
d For leases for other (see instructions)	9d	
e For bank loans for vehicles	9e	
f For bank loans for office equipment	9f	
g For bank loans for real property	9g	
h For bank loans for other (see instructions)	9h	
i Used to refund prior issue(s)	9i	
j Representing a loan from the proceeds of another tax-exempt obligation (for example, bond bank)	9j	
k Other	9k	
10 If the issuer has designated any issue under section 265(b)(3)(B)(i)(III) (small issuer exception), check this box <input type="checkbox"/>		
11 If the issuer has elected to pay a penalty in lieu of arbitrage rebate, check this box (see instructions) <input type="checkbox"/>		
12 Vendor's or bank's name:		
13 Vendor's or bank's employer identification number:		

<b>Sign Here</b>	Under penalties of perjury, I declare that I have examined this return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete.		<b>Kathy B. Hollomon, County Auditor</b> Type or print name and title
	<i>Kathy B. Hollomon</i> Issuer's authorized representative	<b>9/14/09</b> Date	
<b>Paid Preparer's Use Only</b>	Preparer's signature	Date	Preparer's SSN or PTIN
	Firm's name (or yours if self-employed), address, and ZIP code	EIN	Phone no. ( )

**General Instructions**  
Section references are to the Internal Revenue Code unless otherwise noted.

**Purpose of Form**  
Form 8038-GC is used by the issuers of tax-exempt governmental obligations to provide the IRS with the information required by section 149(e) and to monitor the requirements of sections 141 through 150.

**Who Must File**  
Issuers of tax-exempt governmental obligations with issue prices of less than \$100,000 must file Form 8038-GC.  
Issuers of a tax-exempt governmental obligation with an issue price of \$100,000 or more must file Form 8038-G, Information Return for Tax-Exempt Governmental Obligations.

**Filing a separate return for a single issue.** Issuers have the option to file a separate Form 8038-GC for any tax-exempt governmental obligation with an issue price of less than \$100,000.  
An issuer of a tax-exempt bond used to finance construction expenditures must file a separate Form 8038-GC for each issue to give notice to the IRS that

an election was made to pay a penalty in lieu of arbitrage rebate (see the line 11 instructions).

**Filing a consolidated return for multiple issues.** For all tax-exempt governmental obligations with issue prices of less than \$100,000 that are not reported on a separate Form 8038-GC, an issuer must file a consolidated information return including all such issues issued within the calendar year.  
Thus, an issuer may file a separate Form 8038-GC for each of a number of small issues and report the remainder of small issues issued during the calendar year on one consolidated Form 8038-GC. However, a separate Form 8038-GC must be filed to give the IRS notice of the election to pay a penalty in lieu of arbitrage rebate.

**When To File**  
To file a separate return for a single issue, file Form 8038-GC on or before the 15th day of the second calendar month after the close of the calendar quarter in which the issue is issued.  
To file a consolidated return for multiple issues, file Form 8038-GC on or before February 15th of the calendar year following the year in which the issue is issued.  
**Late filing.** An issuer may be granted an extension of time to file Form 8038-GC under Section 3 of Rev.

Proc. 2002-48, 2002-2 C.B. 531, if it is determined that the failure to file on time is not due to willful neglect. Type or print at the top of the form, "Request for Relief under Section 3 of Rev. Proc. 2002-48." Attach to the Form 8038-GC a letter briefly stating why the form was not submitted to the IRS on time. Also indicate whether the obligation in question is under examination by the IRS. Do not submit copies of any bond documents, leases, or installment sale documents. See *Where To File* below.

**Where To File**  
File Form 8038-GC, and any attachments, with the Department of the Treasury, Internal Revenue Service Center, Ogden, UT 84201.

**Other Forms That May Be Required**  
For rebating arbitrage (or paying a penalty in lieu of arbitrage rebate) to the Federal Government, use Form 8038-T, Arbitrage Rebate, Yield Reduction and Penalty in Lieu of Arbitrage Rebate. For private activity bonds, use Form 8038, Information Return for Tax-Exempt Private Activity Bond Issues.

**Form 8038-GC Receipt Acknowledgement**  
If you wish to request an acknowledgement receipt of this return by the IRS you must provide the following:

61



# Kansas State Bank

1010 Westloop, P.O. Box 69  
Manhattan, KS 66505-0069

# INVOICE

DATE: September 1, 2009

**To:**  
Navarro County, Texas  
300 W. 3rd Ave.  
Corsicana, Texas 75110

**Re:**  
Financing for One (1) Trailer

DESCRIPTION	AMOUNT
First rental payment due October 1, 2009.	<b>\$665.30</b>
SUBTOTAL	<b>\$665.30</b>
SALES TAX	
SHIPPING & HANDLING	
<b>TOTAL DUE</b>	<b>\$665.30</b>

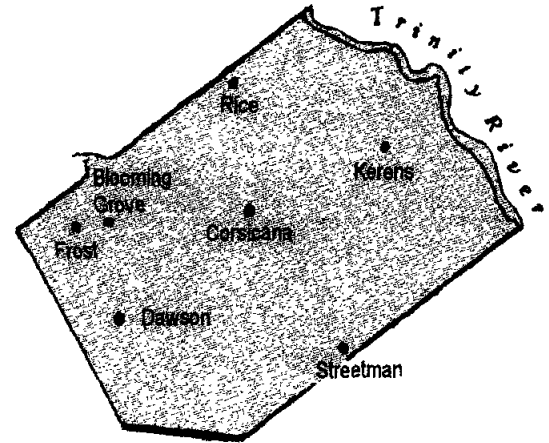
Make all checks payable to: Kansas State Bank of Manhattan

If you have any questions concerning this invoice, call: Andrea Parsons @ 800-752-3562

61A

# Navarro Soil and Water Conservation District

District 514  
4323 West Highway 22  
Corsicana, Texas 75110



August 20, 2009

Ms. Kathy Hollomon  
Navarro County Auditor  
300 West 3<sup>rd</sup> Avenue, Suite 10  
Corsicana, Texas 75110

Dear Ms. Hollomon:

This is to advise that Navarro Soil and Water Conservation District has completed the inspections on the 112 flood control structures in the District as required.

We request the reimbursement of inspection expenses of \$ 11,200.00 to cover this cost.

A copy of the inspections has been presented to the County and is available for review at the Navarro S W C D office.

Sincerely,

A handwritten signature in black ink that reads "Bobby D. Wilson".

Bobby D. Wilson  
Contracting Officer

	A	B	C
1	FISCAL	YEAR	2009
2	Navarro	S W C D	# 514
3	Site No.	Watershed	Inspected
4			
5	R 012	Richland	6/2/2009
6	R 014	Richland	6/2/2009
7	R 014A	Richland	5/5/2009
8	R 015	Richland	6/2/2009
9	R 026	Richland	2/20/2009
10	R 026A	Richland	4/23/2009
11	R 029	Richland	5/5/2009
12	R 030	Richland	5/21/2009
13	R 030PD	Richland	4/1/2009
14	R 031	Richland	5/21/2009
15	R 032	Richland	6/9/2009
16	R 033	Richland	6/9/2009
17	R 034	Richland	6/16/2009
18	R 035	Richland	5/21/2009
19	R 036	Richland	5/21/2009
20	R 047	Richland	4/6/2009
21	R 098A	Richland	6/18/2009
22	R 099	Richland	4/14/2009
23	R 100A	Richland	6/18/2009
24	R 101	Richland	4/14/2009
25	R 101-1PD	Richland	4/14/2009
26	R 101-2PD	Richland	4/14/2009
27	R 105	Richland	7/14/2009
28	R 106A	Richland	4/23/2009
29	R 107A	Richland	4/20/2009
30	R 107B	Richland	2/27/2009
31	R 108	Richland	2/18/2009
32	R 109	Richland	4/21/2009
33	R 110	Richland	4/21/2009
34	R 111	Richland	4/21/2009
35	R 112	Richland	7/14/2009
36	R 113	Richland	4/23/2009
37	R 114	Richland	4/23/2009
38	R 115	Richland	6/16/2009
39	R 115-1PD	Richland	6/16/2009
40	R 116	Richland	6/11/2009
41	R 118	Richland	6/16/2009
42	R 119A	Richland	5/13/2009
43	R 120	Richland	5/13/2009
44	R 121	Richland	6/18/2009
45	R 123	Richland	6/17/2009
46	R 124	Richland	5/13/2009
47	R 126	Richland	7/2/2009
48	R 127	Richland	5/13/2009
49	R 129	Richland	4/20/2009
50	R 134	Richland	6/18/2009
51	R 135A	Richland	6/9/2009

	A	B	C
52	Site No.	Watershed	Inspected
53			
54	R 135B	Richland	4/15/2009
55	R 135D	Richland	3/31/2009
56	R 136	Richland	5/13/2009
57	R 136-PD1	Richland	5/13/2009
58	R 137A	Richland	3/13/2009
59	R 137G	Richland	4/16/2009
60	R 138	Richland	4/16/2009
61	R 140	Richland	2/4/2009
62	R 143A	Richland	6/11/2009
63	G 01	Grays	7/13/2009
64	G 02	Grays	7/7/2009
65	G 03	Grays	2/5/2009
66	G 04	Grays	8/11/2009
67	G 05	Grays	2/5/2009
68	G 06	Grays	5/21/2009
69	G 07A	Grays	7/14/2009
70	G 07B	Grays	4/30/2009
71	G 07C	Grays	5/21/2009
72	G 08	Grays	6/16/2009
73	G 09	Grays	8/6/2009
74	G 103	Grays	8/6/2009
75	G 104	Grays	8/6/2009
76	G 105	Grays	3/19/2009
77	C Gabion 1	Chambers	2/4/2009
78	C Gabion 2	Chambers	2/4/2009
79	C Chute 3	Chambers	2/19/2009
80	C Gabion 5	Chambers	2/4/2009
81	C Gabion 6	Chambers	2/19/2009
82	C Gabion 7	Chambers	2/19/2009
83	C 101A	Chambers	4/16/2009
84	C 103B	Chambers	7/2/2009
85	C 104A	Chambers	3/23/2009
86	C 104B	Chambers	4/16/2009
87	C 105A	Chambers	6/17/2009
88	C 105B	Chambers	6/3/2009
89	C 119A	Chambers	5/13/2009
90	C 119B	Chambers	6/3/2009
91	C 120A	Chambers	5/13/2009
92	C 120A PD1	Chambers	5/13/2009
93	C 120A PD2	Chambers	5/13/2009
94	C 120B	Chambers	6/3/2009
95	C 121	Chambers	6/9/2009
96	C 121C	Chambers	6/18/2009
97	C 121D1	Chambers	7/16/2009
98	C 121D2	Chambers	7/16/2009
99	C 121E	Chambers	7/16/2009
100	C 122A	Chambers	6/9/2009
101	C 122B	Chambers	11/13/2008
102	C 122B	Chambers	7/7/2009

	A	B	C
103	Site No.	Watershed	Inspected
104			
105	C 123A	Chambers	7/13/2009
106	C 123B	Chambers	7/9/2009
107	C 124	Chambers	7/9/2009
108	C 124A1	Chambers	6/2/2009
109	C 124B	Chambers	6/2/2009
110	C 124C	Chambers	6/2/2009
111	C 127A	Chambers	7/9/2009
112	C 127B	Chambers	7/9/2009
113	C 128	Chambers	3/2/2009
114	C 129	Chambers	6/25/2009
115	C 130B	Chambers	6/16/2009
116	C 131	Chambers	7/13/2009
117	C 136	Chambers	6/10/2009
118	C 136A	Chambers	6/9/2009
119	C 139	Chambers	7/22/2009
120	C 140	Chambers	8/11/2009
121	C 141	Chambers	8/11/2009



INTERLOCAL COOPERATION AGREEMENT

Witnesseth, this agreement by and between NAVARRO COUNTY (hereinafter "COUNTY") and the CITY OF ANGUS (hereinafter "CITY") acting by and through their duly authorized representatives, as follows, that:

**WHEREAS**, it is in the best interest of the citizens of Navarro County for local governments to cooperate, where possible, in the provision of governmental functions where such cooperation will result in a better governmental operations; and

**WHEREAS**, the County and the City have found it advisable to enter into an Interlocal Cooperation Agreement as authorized by Chapter 791 of the *Texas Government Code* for the provision of services relating to code enforcement and adjudication of code violations; and

**WHEREAS**, the County recognizes the City does not have the resources available to undertake its own code enforcement activities; and

**WHEREAS**, the County realizes assistance and support from the Navarro County Planning & Development environmental officers and the Justice of the Peace for Precinct \_\_\_\_ would be helpful in providing the necessary services.

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

**SECTION I: SCOPE OF SERVICES**

- (a) County will from time to time respond to reasonable requests for City code enforcement assistance through its office of Planning and Development, environmental officers;
- (b) County agrees, when responding, to reasonably enforce City ordinances;
- (c) Thereafter, the Justice of the Peace for Precinct 3, agrees to act as the City's Municipal Court to adjudicate code violations.
- (d) County shall be allowed to keep any and all fines paid for code violation in order to reimburse County for providing the assistance set forth herein.

**SECTION II: TERM OF AGREEMENT**

- (a) The primary term of this Agreement shall be one (1) year. The Agreement will renew automatically each year unless notice is given as described in Section II (b).

- (b) Either party to this Agreement may cancel and terminate the same upon ten (10) days written notice.

**SECTION III: MISCELLANEOUS TERMS AND CONDITIONS**

- (a) The County’s need for its environmental offices to do County work shall have priority, and this Agreement does not confer on the City the right to demand any particular services to be provided at a particular time where the County determines that such would interfere with the County’s needs.
- (b) To the extent allowed by law, the City holds the County harmless from all damages, costs, expenses or liabilities of any kind arising under this Agreement or as a result of the County’s performance hereunder.
- (c) This Agreement must be authorized by the governing bodies of both parties in accordance with Chapter 791 of the *Texas Government Code*.
- (d) **Prior Agreement/Amendment:** This Agreement contains all agreements or understandings, either oral or written, of the parties with respect to any matter mentioned herein. No prior agreement or understanding pertaining to any such matter shall be effective. This Agreement shall not be modified or amended except by written instrument executed by duly authorized representatives of both parties after compliance with Chapter 791 of the *Texas Government Code*.
- (e) **Venue:** This Agreement shall be deemed performable in Navarro County, Texas, and venue of all disputes relating thereto shall lie in the courts of Navarro County, Texas.
- (f) **Notices:** Any notice required or permitted to be given hereunder or under the laws of this State shall be given in writing and may be given via the United State Postal Service, certified mail or commercial courier services, addressed to the applicable party at the address set forth below.

County: County Judge  
 Navarro County  
 Commissioners’ Office  
 300 West Third Avenue, Suite 14  
 Corsicana, Texas 75110

City: Mayor  
 City of Angus  
 6008 S. I-45 W.  
 Corsicana, Texas 75110

Either party may, by notice to the other, specify a different address for notice purposes.

APPROVED AND RATIFIED by Navarro County, Texas this 14 day of September 2009.

ATTEST:

Sherry Dowd  
County Clerk  
Navarro County, Texas



NAVARRO COUNTY, TEXAS

By: H. M. Davenport  
County Judge

APPROVED AND RATIFIED by City of Angus, this 13 day of OCTOBER, 2009.

ATTEST:

Patricia Over  
City Secretary

Eben Dale Stover  
Eben Dale Stover, Mayor

**CONTRACT AND AGREEMENT  
FOR THE PROVISION OF SANITATION SERVICES**

This Contract and Agreement is made and entered into this 14 day of September, 2009, by and between the City of Angus, Texas (hereinafter referred to as "The City"), and the County of Navarro, by and through the Navarro County Designated Representative (hereinafter referred to as "DR").

WHEREAS, the City of Angus is a home rule/general law city located in Navarro County, Texas, and the City desires to provide on-site sewage facilities (OSSF) services by contracting with Navarro County for the provision of such services; and

WHEREFORE, Navarro County, by and through the Navarro County Designated Representative, and the City agree that Navarro County will provide certain OSSF services for the City;

NOW, THEREFORE, in consideration of the mutual covenants and agreements herein contained, the Parties hereto agree as follows:

**1. OBLIGATIONS OF THE CONTRACTOR**

- 1.1 Navarro County, by and through the Navarro County DR, shall inspect the OSSF systems within the City, including but not limited to, performing evaluations and inspections of OSSF systems. Navarro County, by and through the Navarro County DR, shall further comply with all present or future laws pertaining to the inspection and approval of OSSF systems within the State of Texas, including minimum state standards.
- 1.2 Navarro County, by and through the Navarro County DR, shall further enforce reasonable rules and regulations in the conduct of its business, provided that such regulations, including rights and charges, shall be subject to the approval of the City, as provided by the laws of the State of Texas.
- 1.3 Navarro County will provide all necessary equipment and personnel for said OSSF services under the terms of this Contract and Agreement.

2. **OBLIGATIONS OF THE CITY**

2.1 The County will conduct all permitting procedures, including the collection of fees.

3. **EXCLUSIVE RIGHTS**

3.1 During the period of this Contract, Navarro County, by and through the Navarro County DR, shall have sole exclusive rights to maintain and supervise the OSSF services of the City.

3.2 In the event that the Navarro County DR, is no longer employed by Navarro County or otherwise resigns or is terminated or is incapable of performing his duties, the City shall have the right to terminate this Agreement in the same manner as provided by Section Six (6.) herein.

4. **DURATION OF THIS CONTRACT**

This Contract shall become effective on 10-1-09, 2009, and will continue in force as set forth and in accordance with Section Six (6.) contained herein.

5. **THE DR's STATUS**

It is agreed by and between the Parties to this Contract that Navarro County shall, as outlined in Section 1.3, furnish all necessary equipment, supplies, materials, and personnel necessary to carry out Navarro County's obligations under the terms of this Contract and in accordance with all applicable federal, state, and local laws. Navarro County will be responsible for maintaining any and all necessary insurance to cover damage to property and any personal injuries, which might result from the performance of the Navarro County DR under the terms of this Contract.

6. **RENEWAL OR TERMINATION**

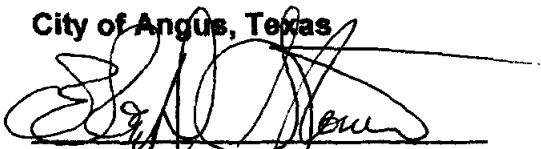
It is expressly and agreed and understood between the Parties to this Agreement that this Contract will automatically be renewed for an additional year, at the end of each contract year, unless either Party shall give written notice of intent to terminate this Contract and Agreement at least 30 days prior to the annual termination or renewal date. Either Party may unilaterally terminate contract on the annual renewal date if written notice is timely given. This Contract may also be terminated for cause in the event that either materially breaches the terms of this Agreement.

7. **COMPLIANCE WITH LAWS AND REGULATIONS**

Both Parties to this Contract clearly understand and agree that it is the intent of all Parties for the OSSF system of the City to operate fully and completely in compliance with all federal, state, and local laws and regulations concerning waste disposal. Both Parties to this Agreement will use their best efforts to ensure continued compliance with all laws and regulations.

For and in reliance on the promises, covenants and agreements contained in this document, we the Parties to this Agreement executed this document this 14 day of September, 2009.

**City of Angus, Texas**

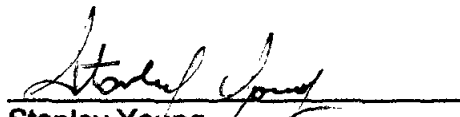
  
\_\_\_\_\_

Eben Dale Stover  
Mayor for Angus

  
\_\_\_\_\_

City Secretary

**County of Navarro, Texas**

  
\_\_\_\_\_

Stanley Young  
Designated Representative  
Navarro County, Texas

Approved as to form and substance this 13th day of October, 2009.

ATTEST:

  
\_\_\_\_\_

~~Marilyn Greer~~ Sherry Dowd  
County Clerk  
Navarro County, Texas

  
\_\_\_\_\_

H. M. Davenport  
County Judge  
Navarro County, Texas





## NAVARRO COUNTY AUDITOR'S OFFICE

**Tim Easley**, First-Assistant  
**Terri Gillen**, Assistant  
**Jeannie Keeney**, Assistant  
**Ann Tanner**, Assistant  
**Julie Jennings**, Assistant

300 West Third Avenue, Suite 10  
 Corsicana, TX 75110-4672

**Kathy B. Hollomon, CPA**

Phone: (903) 654-3095

e-mail: khollomon@navarrocounty.org

Fax: (903) 654-3097

September 8, 2009

To: H. M. Davenport, County Judge  
 Kit Herrington, Commissioner Pct 1  
 Faith Holt, Commissioner Pct 2  
 David Warren, Commissioner Pct 3  
 James Olsen, Commissioner Pct 4

RE: Certification of additional Revenue

Judge and Commissioners,

Pursuant to Local Government Code 111.0706- Special Budget for Grant or Aid Money  
 111.0707- Special Budget for Revenue from Intergovernmental Contracts  
 111.0708- Special Budget for Revenue Received After Start of Fiscal Year

"The county auditor....shall certify to the commissioners court the receipt of All public or private grant aid money, or all revenue from intergovernmental contracts or, Revenue from a new source not anticipated before the adoption of the budget that is available for disbursement in a fiscal year, but not include in the budget for that fiscal year."

On certification, the court shall adopt a special budget for the limited purpose of spending the revenue from intergovernmental contracts for its intended purpose."

I, Kathy B. Hollomon, County Auditor of Navarro County CERTIFY to the Navarro County Commissioners Court of the receipt of ADDITIONAL REVENUES from -public or private aid money- intergovernmental contracts- new source not anticipated before the adoption of the budget- which was not included in the Navarro County Revenue Estimates in the adopted budget for 2008 – 2009. These funds may now be made available by creating a new special budget or amending a current budget for its intended purposes.

**The amount and source of the certified additional funds are as follows-**

**Amount: \$ 14,967.00**

**Source: State JAG Grant**

Sincerely,

  
 Kathy B. Hollomon  
 County Auditor

**SPECIAL BUDGET**

**FROM REVENUE RECEIVED AFTER THE START OF THE FISCAL YEAR  
LOCAL GOVERNMENT CODE 111.0707**

**REQUESTED EXPENDITURE INCREASE**

<b>Fund- Department – Account</b>	<b>Description</b>	<b>Current Budget</b>	<b>Requested Increase</b>	<b>Amended Budget</b>
		\$	\$	\$
101-330-030	State JAG Grant	-0-	14,967.00	14,967.00
101-560-340	Investigative/Enforcement	25,000.00	14,967.00	39,967.00

**STATEMENT OF NEED: Federal Grant to enhance Law Enforcement in Navarro County.**

**Submitted by:**

*Leslie Cotten*  
\_\_\_\_\_  
Leslie Cotten  
Sheriff

Date: 9-14-09

**Revenue Certified by:**

*Kathy B. Hollomon*  
\_\_\_\_\_  
Kathy B. Hollomon  
County Auditor Navarro

Date: 9/10/09

**Approved by Commissioners Court:**

*H. M. Davenport Jr.*  
\_\_\_\_\_  
H. M. Davenport Jr.  
County Judge

Date: 9/10/09



**CATERPILLAR FINANCIAL SERVICES CORPORATION**  
**GOVERNMENTAL EQUIPMENT LEASE-PURCHASE AGREEMENT**  
**DOCUMENT PACKAGE**

## Explanation of Contents

Thank you for selecting Caterpillar products and for allowing Caterpillar Financial Services Corporation to serve your financing needs. Included in this document package are all of the forms that will be needed for standard tax exempt lease purchase transactions. The forms have been designed to be clear, concise and user friendly. We have also provided a brief explanation of the purpose of each form. If you wish to discuss any of the forms or have any questions about any aspect of this transaction, we encourage you to contact your Caterpillar Dealer or Caterpillar Financial Services Corporation at 1-866-263-3791 Option # 5.

**A. Governmental Equipment Lease-Purchase Agreement.** The Governmental Lease-Purchase Agreement contains the terms that govern each transaction between us. It is the standard Caterpillar Financial Services Corporation tax exempt lease-purchase agreement, and provides that we will lease to you the equipment described therein pursuant to a full payout amortization schedule. A new Governmental Equipment Lease-Purchase Agreement will have to be signed in connection with each transaction.

**B. Acceptance Certificate.** The Acceptance Certificate is signed by you when you receive and confirm that the equipment being lease-purchased under the Governmental Equipment Lease-Purchase Agreement is operational and in good working order. As we are not involved in the manufacture, selection or delivery of the equipment we are relying upon you to ensure that the equipment works.

**C. Lessee's Authorizing Resolution.** The Authorizing Resolution is evidence you have taken the necessary governing body actions to approve the Governmental Equipment Lease-Purchase Agreement. Although the authorizing instrument is often a resolution, it may also take other forms such as an ordinance. We are agreeable to using your customary or standard form provided it contains specific approval for the lease-purchase agreement, designates persons who are authorized to sign on your behalf and either approves the document forms or delegates this authority to a named official

**D. Verification of Insurance.** The Certificate of Insurance is intended to supply information regarding the insurance coverage for the equipment being lease-purchased. You will need to supply the requested information to us so we can verify coverage.

**E. Opinion of Counsel.** An opinion of counsel is required in connection with each Governmental Equipment Lease-Purchase Agreement. The opinion is intended to confirm that you have complied with all open meeting laws, publication and notice requirements, procedural rules for governing body meetings, and any other relevant state or local government statutes, ordinances, rules or regulations. We would be unable to confirm compliance with these laws and regulations ourselves absent long delays and higher costs so we rely upon the opinion of your attorney since he/she may have been involved in the process to approve our transaction and is an expert in the laws and regulations to which you are subject. The opinion also confirms that you are an entity eligible to issue tax-exempt obligations and that the Governmental Equipment Lease-Purchase Agreement will be treated as tax-exempt as it is your obligation to ensure that you have complied with relevant tax law.

**F. Form of 8038G or GC.** Form 8038 is required by the Internal Revenue Service in order to monitor the amount of tax-exempt obligations issued. You have to execute a Form 8038 for each Governmental Equipment Lease-Purchase Agreement. Whether a Form 8038 G or GC is required depends on the original principal amount of the Governmental Equipment Lease-Purchase Agreement. If the original principal amount is less than \$100,000 Form 8038GC is filed with the IRS. If the original principal amount is \$100,000 or more Form 8038G is filed with the IRS. Choose the appropriate 8038 form and complete according to IRS guidelines. Contact your TM or Sales Support Representative for assistance.

IRS Form 8038G

<http://www.irs.gov/pub/irs-pdf/f8038g.pdf>

IRS Form 8038GC

<http://www.irs.gov/pub/irs-pdf/f8038gc.pdf>

This Explanation of Contents is prepared as an accommodation to the parties named herein. It is intended as an example of some of the documents that Caterpillar Financial Services Corporation, in its reasonable judgment, may require and is not intended to constitute legal advice. Please engage and use your own legal counsel. We understand that the laws of the various states are different so nothing herein shall be construed as a warranty or representation that the documents listed herein are the only documents that may be required in any particular transaction or that any particular transaction, if documented in accordance with this Explanation of Contents, will be a valid, binding and enforceable obligation enforceable against the parties named herein in accordance with the terms of the documents named herein.

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554413

**GOVERNMENTAL EQUIPMENT LEASE-PURCHASE AGREEMENT**

Lessee: NAVARRO COUNTY, TEXAS PCT. 1  
Address: 300 W 3RD AVE STE 10  
City: CORSICANA  
State/ Zip TX 75110

Lessor: Caterpillar Financial Services Corporation  
Address: 2120 West End Avenue  
City: Nashville  
State/Zip: Tennessee 37203-0001

This Governmental Equipment Lease/Purchase Agreement is dated as of SEPTEMBER 14, 2009 (the "Agreement").

**1. LEASE PAYMENTS; CURRENT EXPENSE.** Lessee agrees to pay the lease payments (the "Lease Payments") with respect to this Agreement during the term hereof in the amounts and on the dates specified below. A portion of each Lease Payment is paid as and represents the payment of interest and the balance of each Lease Payment is paid as and represents payment of principal. Lessor is authorized to insert the due dates of the Lease Payments and any other information that should be added hereto in order for this Agreement to reflect the specific agreements of the parties hereto. All Lease Payments shall be paid to Lessor without notice or demand at such place as Lessor may from time to time designate by written notice to Lessee. Lessee shall pay the Lease Payments exclusively from moneys legally available therefor, in lawful money of the United States of America. The obligations of Lessee, including its obligation to pay the Lease Payments due in any fiscal year, shall constitute a current expense of Lessee for such fiscal year and shall not constitute an indebtedness of Lessee within the meaning of the constitution and laws of the State in which Lessee is located (the "State"). Nothing herein shall constitute a pledge by Lessee of any taxes or other moneys (other than moneys lawfully appropriated from time to time for the payment of the "Payments" (as defined in the last sentence of this Paragraph) owing hereunder. EXCEPT AS PROVIDED IN PARAGRAPH 4, LESSEE'S OBLIGATIONS TO MAKE THE PAYMENTS TO LESSOR IN THE AMOUNTS REQUIRED HEREBY ARE ABSOLUTE AND UNCONDITIONAL. LESSEE FURTHER EXPRESSLY AGREES THAT IT WILL MAKE ALL SUCH PAYMENTS TO LESSOR REGARDLESS OF, AND WILL NOT ASSERT AGAINST LESSOR, ANY DEFENSE, CLAIM, SETOFF, OR COUNTERCLAIM OR OTHER RIGHT, EXISTING OR FUTURE, WHICH LESSEE MAY HAVE AGAINST THE LESSOR OR ANY OTHER PERSON OR ENTITY FOR ANY REASON. As used in this Agreement, "Payments" shall mean the Lease Payments and any other amounts required to be paid by Lessee hereunder.

Lease Payments shall be paid by Lessee to Lessor as follows: \$3,849.30 will be paid in arrears and the balance of the Lease Payments is payable in 47 successive monthly payments of which the first 46 payments are in the amount of \$3,849.30 each, and the last payment is in the amount of \$3,850.30 plus all other amounts then owing hereunder, with the first Lease Payment due on 10/14/09 and subsequent Lease Payments due on a like date of each month thereafter until paid in full. If Lessor does not receive a Lease Payment on the date it is due, Lessee shall pay to Lessor, on demand a late payment charge equal to the lesser of five percent (5%) of the payment not paid when due or the highest charge allowed by law, whichever is less.

The portion of the Lease Payments constituting principal shall bear interest (computed on the basis of actual days elapsed in a 360 day year) at the rate of 4.90% per annum.

**2. SECURITY INTEREST.** Lessor agrees to lease to Lessee and Lessee agrees to lease from Lessor, the items of equipment (the "Equipment") described below. In order to secure all of its obligations hereunder, Lessee hereby: (a) grants to Lessor a first and prior security interest in any and all right, title, and interest of Lessee in the Equipment and in all additions, attachments, accessions, and substitutions thereto, and on any proceeds therefrom and (b) agrees to do any further act and hereby authorizes the filing of such financing statements, or to execute and deliver such certificates of title, notices or acknowledgement or other instruments in form satisfactory to Lessor necessary or appropriate to evidence such security interest. Lessee at its expense will protect and defend Lessor's security interest in the Equipment and will keep the Equipment free and clear of any and all claims, liens, encumbrances and legal processes however and whenever arising.

**Description of Unit(s)**  
(1) New 120M

Caterpillar Motor Grader

**Serial#**  
B9C00338

Lessee confirms that it has an immediate need for, and expects to make immediate use of, substantially all the Equipment, which need is not temporary or expected to diminish during the term of this Agreement. The Equipment will be used by Lessee for the purpose of performing one or more of Lessee's governmental functions consistent with the scope of Lessee's authority and not in any trade or business carried on by a person other than Lessee.

**3. WARRANTIES.** LESSOR HAS NOT MADE AND DOES NOT MAKE ANY WARRANTY, REPRESENTATION OR COVENANT OF ANY KIND, EXPRESS OR IMPLIED, AS TO THE EQUIPMENT. AS TO LESSOR, LESSEE'S LEASE AND PURCHASE OF THE EQUIPMENT SHALL BE ON AN "AS IS" AND "WHERE IS" BASIS AND "WITH ALL FAULTS". Lessee shall enforce all warranties, agreements and representations, if any, with regard to the Equipment against the maker of such warranties. Except pursuant to an amendment as provided herein, no person is authorized to waive or alter any term or condition of this Agreement.

**4. NONAPPROPRIATION.** Lessee covenants and represents to Lessor that (a) Lessee will, to the extent permitted by State law include in its budget for each successive fiscal year during the term of this Agreement a sufficient amount to permit Lessee to discharge all of its obligations hereunder, (b) Lessee has budgeted and has available for the current fiscal year sufficient funds to comply with its obligations under this Agreement and (c) there are no circumstances presently affecting Lessee that could reasonably be expected to adversely affect its ability to budget funds for the payment of sums due hereunder. Notwithstanding any provision of this Agreement to the contrary, Lessor and Lessee agree that in the event that prior to the commencement of any of Lessee's fiscal years Lessee does not have sufficient funds appropriated to make the Payments due hereunder for said fiscal year, Lessee shall have the option of terminating this Agreement as of the date of the commencement of such fiscal year by giving Lessor sixty (60) days prior written notice of its intent to cancel this Agreement. No later than the last day of the last fiscal year for which appropriations were made for the Payments due hereunder (the "Return Date"), Lessee shall return to Lessor all, but not less than all, of the Equipment, at Lessee's sole expense, in accordance with Paragraph 18, and this Agreement shall terminate on the Return Date without penalty or expense to Lessee and Lessee shall not be obligated to pay the Lease Payments beyond such fiscal year, provided, that Lessee shall pay all Lease Payments and other Payments for which moneys have been appropriated or are otherwise available, provided further, that Lessee shall pay month-to-month rent at the rate set by lessor for each month or part thereof that Lessee fails to return the Equipment. To the extent lawful and permitted by public policy, Lessee agrees it will not terminate this Agreement under the provisions of this Paragraph 4 if any funds are appropriated to it or by it for the acquisition, retention or operation of the Equipment or other equipment performing functions similar to the Equipment for the fiscal year in which termination occurs or the next succeeding fiscal year.



- 5. TAX WARRANTY.** Lessee is validly existing as a body corporate and politic and public instrumentality of the State with the power and authority to enter into this Agreement and to carry out its obligations hereunder and the transactions contemplated hereby. Lessee shall, at all times, do and perform all acts and things necessary and within its control in order to assure that the interest component of the Lease Payments received by the Lessor shall, for the purposes of Federal income taxation, be excluded from the gross income of the Lessor and shall not take or permit any act or thing that could cause the interest component of the Lease Payments received by the Lessor to be included in the gross income of the Lessor for the purposes of Federal income taxation. The Equipment will not be used in any trade or business carried on by a person other than Lessee. Lessee will report this Lease Purchase to the Internal Revenue Service by filing Form 8038G, 8038C or 8038 whichever is applicable. Failure to do so will cause the agreement to lose its tax exempt status. Lessee agrees that if the appropriate form is not filed, the interest rate will be adjusted to the equivalent taxable interest rate.
- 6. ASSIGNMENT.** Lessee may not, without Lessor's written consent, by operation of law or otherwise, assign, transfer, pledge, hypothecate or otherwise dispose of its right, title and interest in and to this Agreement and the Equipment and/or grant or assign a security interest herein, in whole or in part. Lessor may not transfer, sell, assign, pledge, hypothecate, or otherwise dispose of its right, title and interest in and to this Agreement and the Equipment and/or grant or assign a security interest herein, in whole or in part.
- 7. INDEMNITY.** To the extent permitted by law, Lessee assumes liability for, agrees to and does hereby indemnify, protect and hold harmless Lessor and its agents, employees, officers, directors, subsidiaries and stockholders from and against any and all liabilities, obligations, losses, damages, injuries, claims, demands, penalties, actions, costs and expenses (including reasonable attorney's fees), of whatsoever kind and nature, arising out of the use, condition (including, but not limited to, latent and other defects and whether or not discoverable by Lessee or Lessor), operation, ownership, selection, delivery, storage, leasing or return of any item of Equipment, regardless of where, how and by whom operated, or any failure on the part of Lessee to accept the Equipment or otherwise to perform or comply with any conditions of this Agreement. The indemnities contained in this Paragraph shall continue in full force and effect notwithstanding the termination of this Agreement. Lessee is an independent contractor and nothing contained in this Agreement shall authorize Lessee or any other person to operate or use any Equipment so as to incur any obligation on behalf of Lessor or impose any liability on Lessor. **Nothing in this Agreement is intended nor should any provision of this Agreement be construed to, limit, waiver, abridge or otherwise modify any rights, claims, or causes of action that the Lessee may have against any person or entity other than Lessor.**
- 8. LOSS AND DAMAGE.** Lessee shall bear the entire risk of loss, theft, destruction or damage to the Equipment or any part thereof from any cause whatsoever. No loss, theft, destruction or damage of the Equipment shall relieve Lessee of the obligation to make Lease Payments or to perform any obligation owing hereunder. In the event of loss, theft, destruction or damage of any kind to any item of the Equipment, Lessee shall immediately notify Lessor and, at the option of Lessor, shall: (a) place the same in good repair, working order and condition (ordinary wear and tear excepted); or (b) replace the same with like equipment in good repair, working order and condition (ordinary wear and tear excepted). The "net proceeds" (as defined in the last sentence of this Paragraph) of any insurance recovery shall be applied to clause (a) or (b) as provided above unless an Event of Default shall have occurred and be continuing in which case the net proceeds shall be paid to Lessor to the extent of, and applied to the amount due and payable to Lessor under this Agreement. Any net proceeds remaining after application of net proceeds in accordance with the preceding sentence shall be paid to, and belong to, Lessee. If the net proceeds of any insurance recovery are insufficient to pay in full for the repair, restoration or replacement of the Equipment, Lessee shall either complete the work to the satisfaction of Lessor, and pay any costs in excess of the net proceeds without any claim for reimbursement or credit from Lessor or pay the then applicable purchase price for the Equipment (as determined by Lessor according to its usual and customary manner) plus all Payments then due and owing hereunder. "Net proceeds" shall mean the amount remaining from the gross proceeds of any insurance claim or condemnation award after deducting all expenses (including reasonable attorneys' fees) incurred in the collection of such claim or award.
- 9. INSURANCE.** Lessee agrees to keep the Equipment insured to protect all interests of Lessor, at Lessee's expense, for such risks, in such amounts, in such forms and with such companies as Lessor may require, including but not limited to fire and extended coverage insurance, explosion and collision coverage, and personal liability and property damage liability insurance. Lessor may (but shall not be obligated to) insure the Equipment at the expense of Lessee. Any insurance policies relating to loss or damage to the Equipment will name Lessor as loss payee as its interests may appear and the proceeds may be applied toward the replacement or repair of the Equipment or the satisfaction of the Payments due hereunder. Any such policies shall contain a provision that they may not be cancelled or the coverage reduced without thirty (30) days prior written notice to Lessor. Any liability insurance policies will name Lessee and Lessor as co-insured and the proceeds shall be applied first to Lessor to the extent of its liability, if any, and the balance to Lessee. Lessee shall furnish certificates, policies or endorsements to Lessor as proof of such insurance. Lessee hereby appoints Lessor as Lessee's attorney-in-fact to make claim for, receive payment of and execute or endorse all documents, checks or drafts for loss or damage or return premiums under any insurance policy issued on the Equipment and hereby assigns to Lessor all of its right, title and interest in and to such insurance policies and the proceeds thereof. If Lessee is self-insured with respect to equipment such as the Equipment, Lessee shall maintain an actuarially sound self-insurance program in form satisfactory to Lessor and shall provide evidence thereof in form and substance satisfactory to Lessor.
- 10. TAXES, MAINTENANCE AND INSPECTION.** The parties to this Agreement contemplate that the Equipment will be used for a governmental or proprietary purpose of Lessee and, therefore, that the Equipment will be exempt from all taxes presently assessed and levied with respect to personal property. Nevertheless, if the use, possession or acquisition of the Equipment is determined to be subject to taxation, Lessee shall pay when due all taxes and governmental charges assessed or levied against or with respect to the Equipment. Lessee agrees to use, operate and maintain the Equipment in accordance with all laws, regulations and ordinances and in accordance with the provision of any policies of insurance covering the Equipment, and shall not rent the same or permit the same to be used by anyone other than Lessee or Lessee's employees. Lessee agrees to keep the Equipment in good repair, working order and condition (ordinary wear and tear excepted) and house the same in suitable shelter, and to permit Lessor or its assigns to inspect the Equipment at any time and to otherwise protect its interests therein. If any Equipment is customarily covered by a maintenance agreement, Lessee will furnish Lessor with a maintenance agreement by a party reasonably satisfactory to Lessor. No maintenance or other service for the Equipment will be provided by Lessor. Without the prior written consent of Lessor, Lessee shall not make any alterations, modifications or attachments to the Equipment that cannot be removed without materially damaging the functional capabilities or economic value of the Equipment. In the event the Equipment is returned to Lessor, the Lessee, at its sole cost and expense, and at the request of Lessor, will remove all alterations, modifications and attachments, and repair the Equipment as necessary to return the Equipment to the condition in which it was furnished, ordinary wear and tear and permitted modifications excepted. All replacement parts shall be free and clear of liens of others, and shall become part of the Equipment and subject to the terms hereof.
- 11. LATE PAYMENTS AND PERFORMANCE OF LESSEE'S OBLIGATIONS BY LESSOR.** If (a) any Payment other than a Lease Payment is not paid when due or (b) Lessee fails to perform any of its obligations hereunder and Lessor performs the same for the account of Lessee and incurs expenses, costs, penalties or liabilities in so doing ("Reimbursable Expenses"), Lessee shall pay interest on such Payment from the date due and, with respect to the Reimbursable Expenses, from the date incurred, in each case until paid, at the rate of eighteen (18%) percent per annum (or, if such rate is in excess of the maximum rate permitted by law, the maximum rate permitted by law).
- 12. DEFAULT.** The following shall constitute an event of default under this Agreement, and the terms "Event of Default" and "default" shall include, whenever they are used in this Agreement, the following: (a) subject to Paragraph 4 hereof, failure by Lessee to pay any Lease Payment or any other Payment required to be paid when due and such failure continues for ten (10) days after the due date thereof, (b) Lessee fails to perform or observe any other covenant, condition, or agreement to be performed or observed by it hereunder and such failure is not cured within twenty (20) days after written notice thereof by Lessor; (c) the discovery by Lessor that any statement, representation or warranty made by Lessee in this Agreement or any writing ever delivered by Lessee pursuant hereto or in connection herewith is false, misleading, or erroneous in any material respect; (d) any determination by the United States Internal Revenue Service that the portion of the Payments constituting "interest" is includible in the gross income of Lessor for Federal income tax purposes, or (e) the filing of a petition in bankruptcy by or against Lessee, or failure of Lessee promptly to lift any execution, garnishment, or attachment of such consequences as would impair the ability of Lessee to carry on its governmental functions, or assignment by Lessee for the benefit of creditors, or the entry by Lessee into agreement of composition with creditors, or the approval by a court of competent jurisdiction of any adjustment of indebtedness of Lessee, or the dissolution or liquidation of Lessee.
- 13. REMEDIES.** Whenever any Event of Default shall have occurred, Lessor shall have the right, at its option and without any further demand or notice, to take one or any combination of the following remedial steps: (a) Lessor, may declare all Lease Payments due or to become due during the fiscal year in which the Event of Default occurs to be immediately due and payable by Lessee; (b) Lessor may repossess any or all of the Equipment by giving Lessee written notice to deliver the Equipment to Lessor in the

maner provided in Paragraph 18, or in the event Lessee fails to do so within ten (10) days after receipt of such notice, and subject to all applicable laws, Lessor may enter upon Lessee's premises where the Equipment is kept and take possession of the Equipment and charge Lessee for costs incurred in repossessing the Equipment, including reasonable attorneys' fees. Lessee hereby expressly waives any damages occasioned by such repossession. Notwithstanding the fact that Lessor has taken possession of the Equipment, Lessee shall continue to be responsible for the Lease Payments due during the fiscal year then in effect; (c) if Lessor terminates this Agreement and takes possession and disposes of the Equipment or any portion thereof, Lessor shall apply the proceeds of any such disposition to pay the following items in the following order: (i) all costs (including, but not limited to, attorneys' fees) incurred in securing possession of the Equipment; (ii) all expenses incurred in completing the disposition of the Equipment; (iii) any sales or transfer taxes; (iv) all costs and expenses incurred by Lessor to return the Equipment to the condition required by Paragraph 18 hereof; and (v) all Payments whether due or due in the future hereunder. Any disposition proceeds remaining after these disbursements have been made shall be paid to Lessee. In addition, Lessor may exercise any other right, remedy or privilege that may be available to Lessor under applicable law or, by appropriate court action at law or in equity, Lessor may enforce any of Lessee's obligations hereunder. Lessor's rights and remedies are cumulative and may be exercised concurrently or separately. No such right or remedy is exclusive of any other right or remedy permitted by this Agreement or by law or in equity.

14. **NOTICES.** For the purpose of this Agreement any notices required to be given, shall be given to the parties hereto in writing and by certified mail at the address herein set forth, or to such other addresses as each party may substitute by notice to the other, which notice shall be effective upon its receipt.

15. **DELIVERY; TITLE.** Lessee has advised Lessor of its desire to lease the Equipment, the cost of the Equipment, the expected delivery date and the desired lease terms for the Equipment. Lessee shall order such Equipment and shall cause such Equipment to be delivered pursuant to Lessee's directions. Lessor shall have no liability to Lessee, or to any other person for transportation, delivery or installation of the Equipment. Lessee shall bear the risk of loss with respect to any Equipment. Notwithstanding the designation of Caterpillar Financial Services Corporation as Lessor, Caterpillar Financial Services Corporation shall not own the Equipment. Unless applicable law requires to the contrary, legal title to the Equipment, including, if applicable, any software license component thereof shall, so long as an Event of Default or the termination of this Agreement pursuant to Paragraph 4 hereof has not occurred, and only as provided by law, is in Lessee. Upon the occurrence of an Event of Default or termination of this Agreement pursuant to Paragraph 4 hereof, full and unencumbered legal title to the Equipment shall pass to the Lessor without the necessity of further action by the parties hereto, and the Lessee shall have no further interest therein. In connection with the reversion of title to Lessor, Lessee shall execute and deliver to Lessor such documents as Lessor may request to evidence the passage of Lessee's title and interest therein, and upon request by the Lessor, the Lessee shall deliver possession of the Equipment to the Lessor at Lessee's sole cost and expense and in the condition required by Paragraph 18 hereof.

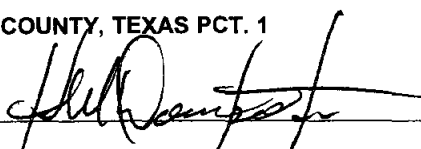
16. **MISCELLANEOUS.** This Agreement may not be modified, amended, altered or changed except by a written agreement signed by both parties. In the event any provision hereof shall be invalid or unenforceable, the remaining provisions hereof shall remain in full force and effect. This Agreement, together with exhibits, constitutes the entire agreement between Lessee and Lessor and supersedes all prior and contemporaneous writings, understandings, agreements, solicitations, documents and representations, expressed or implied. Any terms and conditions of any purchase order or other documents submitted by Lessee in connection with this Agreement which are in addition to or inconsistent with the terms and conditions of this Agreement will not be binding on Lessor and will not apply to this Agreement.

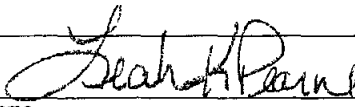
17. **JURY TRIAL WAIVER.** THE PARTIES TO THIS AGREEMENT HEREBY UNCONDITIONALLY WAIVE, IN A KNOWING AND INTENTIONAL MANNER, THEIR RESPECTIVE RIGHTS TO A JURY TRIAL OF ANY CLAIM OR CAUSE OF ACTION BASED UPON OR ARISING OUT OF, DIRECTLY OR INDIRECTLY, THIS AGREEMENT OR RELATED DOCUMENTS, ANY DEALINGS BETWEEN THEM RELATING TO THE SUBJECT MATTER HEREOF OR ANY RELATED TRANSACTIONS, AND/OR THE RELATIONSHIP THAT IS BEING ESTABLISHED BETWEEN THEM.

18. **RETURN OF EQUIPMENT.** If Lessor is entitled to obtain possession of any Equipment or if Lessee is obligated at any time to return any Equipment, then (a) title to the Equipment shall vest in Lessor immediately upon Lessor's notice thereof to Lessee, and (b) Lessee shall, at its sole expense and risk, immediately de-install, disassemble, pack, crate, insure and return the Equipment to Lessor (all in accordance with applicable industry standards) at any location in the continental United States selected by Lessor. Such Equipment shall be in the same condition as when received by Lessee (ordinary wear and tear excepted), shall be in good operating order and maintenance as required hereby, shall be free and clear of any liens (except Lessor's lien) and shall comply with all applicable laws and regulations. Until Equipment is returned as required above, all terms of this Agreement shall remain in full force and effect including, without limitation, Lessee's obligation to pay Lease Payments and to insure the Equipment.

19. **OTHER DOCUMENTS.** In connection with the execution of this Agreement, Lessee shall cause to be delivered to Lessor (i) an Acceptance Certificate substantially in the form attached hereto as Attachment A; (ii) a certified copy of Lessee's Authorizing Resolution substantially in the form attached hereto as Attachment B, (iii) a Verification of Insurance substantially in the form attached hereto, (iv) an opinion of Lessee's counsel substantially in the form attached hereto as Attachment C, (v) a form 8038 G or 8038 GC as required under the Code, and (vi) any other documents or items required by Lessor.

20. **APPLICABLE LAW.** This Agreement shall be governed by and construed in accordance with the laws, excluding the laws relating to the choice of law, of the State.

Lessee:  
**NAVARRO COUNTY, TEXAS PCT. 1**  
  
Signature: \_\_\_\_\_  
By: **H. M. DAVENPORT, JR.**  
Print Name  
Title: **COUNTY JUDGE**

Lessor:  
**Caterpillar Financial Services Corporation**  
**Leah Pearne**  
  
Signature: \_\_\_\_\_  
By: \_\_\_\_\_  
Print Name  
Title: **Documentation Manager**

ATTACHMENT A

ACCEPTANCE CERTIFICATE

This Acceptance Certificate is executed and delivered by NAVARRO COUNTY, TEXAS PCT. 1 ("Lessee") in connection with the Governmental Equipment Lease-Purchase Agreement dated as of 9/14/2009 (the "Agreement"), between Lessee and Caterpillar Financial Services Corporation ("Lessor").

Lessee hereby certifies that:

1. Capitalized terms used herein and not defined herein shall have the meanings assigned to them in the Agreement.

2. The Equipment: 1 NEW 120M Caterpillar Motor Grader B9C00338 has been delivered to it, and has been inspected by it, and is in good working order and condition and is of the size, design, capacity and manufacture selected by it and meets the provisions of the purchase orders with respect thereto. Lessee hereby confirms it irrevocably accepts said items of Equipment "as-is, where-is" for all purposes of the Agreement as of the Acceptance Date set forth below.

3. The Equipment will be located at:  
300 W 3RD AVE CORSICANA TX 75110 NAVARRO

4. The Acceptance Date is SEPTEMBER 1, 2009

Dated: 9/14/2009

Lessee:  
NAVARRO COUNTY, TEXAS PCT. 1

Signature: Kathy B. Hollomon

By: KATHY B. HOLLOMON  
Print Name

Title: COUNTY AUDITOR

**VERIFICATION OF INSURANCE**

Lessor:  
Caterpillar Financial Services Corporation  
2120 West End Avenue  
Nashville, TN 37203-0001

Lessee:  
**NAVARRO COUNTY, TEXAS PCT. 1**  
**300 W 3RD AVE STE 10**  
**CORSICANA, TX 75110**

Subject: Insurance Coverage Requirements

1. The above-named Lessor and Lessee have entered into Governmental Equipment Lease-Purchase Agreement dated as of - 9/14/2009 (the "Agreement"). In accordance with the Agreement, Lessee has instructed the insurance agent named below:

Company: TEXAS ASSOCIATION OF COUNTIES

Address: 1210 SAN ANTONIO ST.; AUSTIN, TX 78701

Phone No: 512-478-8753

Agent's Name: ALEXANDRA ADUDELL

to issue:

a. All Risk Physical Damage Insurance on the Equipment (as defined in the Agreement) evidenced by a Certificate of Insurance and Long Form Loss Payable Clause naming the Lessor and/or its Assignee, as loss payee.

The Coverage Required: the aggregate purchase price for the Equipment.

b. Public Liability Insurance evidenced by a Certificate of Insurance, naming the Lessor and/or its Assignee as Additional Insured, with a minimum of \$1,000,000 per occurrence is required.

2. Proof of insurance coverage will be provided to Lessor or its Assignee prior to the time the Equipment is delivered to Lessee.

Lessee:  
**NAVARRO COUNTY, TEXAS PCT. 1**

Signature: *Kathy B. Hollomon*

By: KATHY B. HOLLOMON  
Print Name

Title: COUNTY AUDITOR

80

**RISK MANAGEMENT POOL**

**CERTIFICATE OF GENERAL LIABILITY COVERAGE**

The Texas Association of Counties Risk Management Pool is created by Chapter 119 of the Local Government Code to enable each county to provide self insurance coverage against liability claims. The specified county participates in this Pool under an agreement pursuant to the provisions of and operates under the Chapter 791, Texas Government Code Annotated.

**NAME AND ADDRESS OF COVERED COUNTY:**

Navarro County  
300 West Third Avenue, Suite 14  
Corsicana, TX 75110

Coverage Agreement No.: GL 1750 2009 01 01

Coverage Period: 9/2/2009 to 1/1/2010

**GENERAL LIABILITY**

**Limits of Liability:**

**Bodily Injury**

\$100,000 per person

\$300,000 per occurrence

**Property Damage**

\$100,000 per occurrence

Deductible: \$5,000

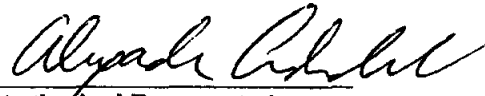
With respect to the following property:

2008 CAT 120GOV MOTORGRADER #0B9C00338

This certificate is issued as a matter of information only and confers no rights upon the certificate holder. This certificate does not amend, extend or alter the coverage afforded by the Pool. The certificate does verify that coverage has been placed in force for the period indicated above. Notwithstanding any requirement, term or condition of any contract or other document with respect to which this certificate may be issued or may pertain, the coverage provided by the Pool described herein is subject to all the terms, exclusions and conditions of the coverage document issued by the Pool. The coverage is primary without right of contribution from any insurance carried by any additional insured. Should any of the above described coverage be altered or cancelled the Pool will endeavor to mail ten days written notice to the certificate holder, but failure to mail such notice shall impose no obligation or liability of any kind upon the Pool.

**Additional Insured**

Caterpillar Financial Services Corp.  
2120 West End Ave.  
Nashville, TN 37203-0001



**Authorized Representative**

Texas Association of Counties  
1210 San Antonio St.  
Austin, TX 78701-1834  
(512) 478-8753

*Certificate Issued*

*Friday, September 11, 2009*



**GENERAL LIABILITY**

**Automatic Additional Insureds Endorsement-  
Equipment Leases**

This endorsement modifies the General Liability Coverage Document to which it is attached. This change is effective on the inception date of the Document unless another date is indicated below.

The following provision is added to Section II – Who is a Covered Person:

Any person(s) or organization(s) (hereinafter called “Additional Insured”) with whom the **Named Member** agrees in a written equipment lease or rental agreement to name as an insured is an insured with respect to liability arising out of the maintenance, operation or use by an **employee** of the **Named Member** of the equipment leased, as shown on the schedule below, to the **Named Member**, by such person(s) or organization(s) subject to the following additional exclusions.

The coverage provided to the Additional Insured does not apply to:

**Bodily Injury, property damage or personal injury** occurring after the **Named Member** ceases to lease the equipment.

**Bodily Injury, property damage or personal injury** arising out of the sole negligence of the Additional Insured.

**Property damage to:**

Property owned, used or occupied by or rented to the Additional Insured; or

Property in the care, custody or control of the Additional Insured or over which the Additional Insured is for any purpose exercising physical control.

**ADDITIONAL INSURED:**

**Caterpillar Financial Services Corp.  
2120 West End Ave.  
Nashville, TN 37203-0001**

**SCHEDULE OF LEASED EQUIPMENT:**

**2008 CAT 120GOV MOTORGRADER #0B9C00338**

ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS OF THE COVERAGE REMAIN UNCHANGED.

Endorsement: GL/AIEL  
2009

Endorsement Effective Date: Wednesday, September 02,  
2009

Named Member: Navarro County

Attached to and forming part of Coverage Document Number: GL 1750 2009 01 01

**RISK MANAGEMENT POOL**

**CERTIFICATE OF PROPERTY COVERAGE**

The Texas Association of Counties Risk Management Pool is created to enable each county or county-related governmental entity to provide self insurance coverage against physical damage claims. The specified county or county related governmental entity participates in this Fund under an agreement pursuant to the provisions of and operates under the Chapter 791, Texas Government Code Annotated.

**NAME AND ADDRESS OF COVERED COUNTY:**

Navarro County  
300 West Third Avenue, Suite 14  
Corsicana, TX 75110

Coverage Agreement No.: PR 1750 2009 07 01

Coverage Period: 9/2/2009 to 7/1/2010

**PROPERTY**

Includes the following coverages:

All risk of physical loss subject to coverage terms, exclusions and conditions.

Actual cash value

Deductible: \$5,000

With respect to the following property:

2008 CAT 120GOV MOTORGRADER #0B9C00338

Total Value: \$182,478

This certificate is issued as a matter of information only and confers no rights upon the certificate holder. This certificate does not amend, extend or alter the coverage afforded by the Pool. The certificate does verify that coverage has been placed in force for the period indicated above. Notwithstanding any requirement, term or condition of any contract or other document with respect to which this certificate may be issued or may pertain, the coverage provided by the Pool described herein is subject to all the terms, exclusions and conditions of the coverage document issued by the Pool. The coverage is primary without right of contribution from any insurance carried by any additional insured. Should any of the above described coverage be altered or cancelled the Pool will endeavor to mail ten days written notice to the certificate holder, but failure to mail such notice shall impose no obligation or liability of any kind upon the Pool.

**Lien Holder / Loss Payee**  
Caterpillar Financial Services Corp.  
2120 West End Ave.  
Nashville, TN 37203-0001



**Authorized Representative**  
Texas Association of Counties  
1210 San Antonio St.  
Austin, TX 78701-1834  
(512) 478-8753

*Certificate Issued*  
*Friday, September 11, 2009*

83

Form **8038-G**  
(Rev. November 2000)  
Department of the Treasury  
Internal Revenue Service

**Information Return for Tax-Exempt Governmental Obligations**  
▶ Under Internal Revenue Code section 149(e)  
▶ See separate instructions.

OMB No. 1545-0720

Caution: If the issue price is under \$100,000, use Form 8038-GC.

<b>Part I Reporting Authority</b>			If Amended Return, check here <input type="checkbox"/>	
1 Issuer's name <b>Navarro County</b>	2 Issuer's employer identification number <b>75 6001092</b>			
3 Number and street (or P.O. box if mail is not delivered to street address) <b>300 W. Third Avenue</b>	Room/suite <b>10</b>	4 Report number <b>3 01</b>		
5 City, town, or post office, state, and ZIP code <b>Corsicana, Texas 75110</b>	6 Date of issue			
7 Name of issue <b>120M Caterpillar Motor Grader</b>	8 CUSIP number <b>None</b>			
9 Name and title of officer or legal representative whom the IRS may call for more information <b>Kathy B. Hollomon, Navarro County Auditor</b>	10 Telephone number of officer or legal representative ( <b>903</b> ) <b>654-3095</b>			

<b>Part II Type of Issue (check applicable box(es) and enter the issue price)</b> See instructions and attach schedule	
11 <input type="checkbox"/> Education	11
12 <input type="checkbox"/> Health and hospital	12
13 <input type="checkbox"/> Transportation	13
14 <input type="checkbox"/> Public safety	14
15 <input type="checkbox"/> Environment (including sewage bonds)	15
16 <input type="checkbox"/> Housing	16
17 <input type="checkbox"/> Utilities	17
18 <input type="checkbox"/> Other. Describe ▶	18
19 If obligations are TANs or RANs, check box <input type="checkbox"/> If obligations are BANs, check box <input type="checkbox"/>	
20 If obligations are in the form of a lease or installment sale, check box <input checked="" type="checkbox"/>	

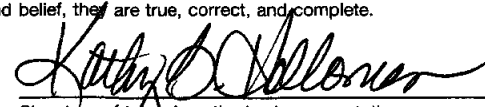
<b>Part III Description of Obligations. Complete for the entire issue for which this form is being filed.</b>				
(a) Final maturity date	(b) Issue price	(c) Stated redemption price at maturity	(d) Weighted average maturity	(e) Yield
21	\$ <b>167478.00</b>	\$ <b>N/A</b>	<b>4</b> years	<b>4.90</b> %

<b>Part IV Uses of Proceeds of Bond Issue (including underwriters' discount)</b>	
22 Proceeds used for accrued interest	22
23 Issue price of entire issue (enter amount from line 21, column (b))	23
24 Proceeds used for bond issuance costs (including underwriters' discount)	24
25 Proceeds used for credit enhancement	25
26 Proceeds allocated to reasonably required reserve or replacement fund	26
27 Proceeds used to currently refund prior issues	27
28 Proceeds used to advance refund prior issues	28
29 Total (add lines 24 through 28)	29
30 Nonrefunding proceeds of the issue (subtract line 29 from line 23 and enter amount here)	30

<b>Part V Description of Refunded Bonds (Complete this part only for refunding bonds.)</b>	
31 Enter the remaining weighted average maturity of the bonds to be currently refunded	_____ years
32 Enter the remaining weighted average maturity of the bonds to be advance refunded	_____ years
33 Enter the last date on which the refunded bonds will be called	_____
34 Enter the date(s) the refunded bonds were issued	_____

<b>Part VI Miscellaneous</b>	
35 Enter the amount of the state volume cap allocated to the issue under section 141(b)(5)	35
36a Enter the amount of gross proceeds invested or to be invested in a guaranteed investment contract (see instructions)	36a
b Enter the final maturity date of the guaranteed investment contract	
37 Pooled financings: a Proceeds of this issue that are to be used to make loans to other governmental units	37a
b If this issue is a loan made from the proceeds of another tax-exempt issue, check box <input type="checkbox"/> and enter the name of the issuer	
38 If the issuer has designated the issue under section 265(b)(3)(B)(i)(III) (small issuer exception), check box <input type="checkbox"/>	
39 If the issuer has elected to pay a penalty in lieu of arbitrage rebate, check box <input type="checkbox"/>	
40 If the issuer has identified a hedge, check box <input type="checkbox"/>	

Under penalties of perjury, I declare that I have examined this return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete.

**Sign Here**  **9/14/09** **Kathy B. Hollomon, County Auditor**  
Signature of issuer's authorized representative Date Type or print name and title

**CUSTOMER INFORMATION VERIFICATION**  
(Required Document)

In our efforts to continue providing timely customer service, we need your assistance confirming the following information. If any information is incorrect or missing, please note the necessary changes below and return this form with your signed documents. In addition, please review the Data Privacy Notice stated below. Thank you in advance for your cooperation.

Purchase Order # for new contract: 226967

**Current Information on file**

Customer Name: NAVARRO COUNTY, TEXAS PCT. 1  
Physical Address: 300 W 3RD AVE STE 10  
CORSIANA, TX 75110  
Mailing Address: 300 W 3RD AVE STE 10  
CORSIANA, TX 75110  
Equipment Location: 300 W 3RD AVE  
CORSIANA, TX 75110, NAVARRO  
Business Phone: (903)654-3095  
Fed. ID # or SS #: 75-6001092  
E-mail Address: PWELCH@NAVARROCOUNTY.ORG

Accounts Payable Contact  
Name and Phone:

**Please make corrections here**

NAVARRO COUNTY  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
KHOLLOMON@NAVARROCOUNTY.ORG  
\_\_\_\_\_  
JEANNIE KEENEY 903-654-3095  
\_\_\_\_\_

**Tax Information**

Sales Tax Rate: 0

(Please note: Sales Tax Rate, includes all applicable State, County, and City sales tax)

City Limits Asset outside the City Limits? Yes  No

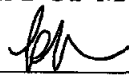
Tax Exemption Status: Please indicate if you are tax exempt.

If you are tax exempt – please enclose a current tax exemption certificate to be returned with your documents – Not needed by CFSC if dealer ISC

\*Should the above changes apply to ALL of your contracts, OR for this contract ONLY?

- ALL CONTRACTS
- THIS CONTRACT ONLY

**THE ABOVE INFORMATION HAS BEEN REVEIWD AND IS ACCURATE TO THE BEST OF MY KNOWLEDGE WITH EXCEPTION OF ANY CORRECTIONS AS NOTED.**

  
Customer Initials

Data Privacy Notice:

*This notice pertains to personal data supplied in connection with your credit application. By providing your information to Caterpillar Inc. or any of its subsidiaries or affiliates, including Caterpillar Financial Services Corporation (collectively "Caterpillar"), you are agreeing that the information may be shared among Caterpillar and its partners and dealers, and used to process your applications for credit and other orders and to improve or market Caterpillar products and services. If you have any questions pertaining to this notice, please contact the Data Privacy Coordinator at 615-341-8222.*

Other Information:

TEXAS SALES AND USE TAX EXEMPTION CERTIFICATION: 31 Oct 05  
Agriculture, Resale, Tax Exempt Entity, Other to be filled in below.

Name of purchaser, firm or agency <b>NAVARRO COUNTY PCT # 1</b>	
Address (Street & number, P.O. Box or Route number) <b>300 W 3RD AVE STE # 204</b>	Phone (Area code and number) <b>903-388-6398</b>
City, State, ZIP code <b>CORSICANA, TX 75110-4672</b>	
Texas Sales and Use Tax Permit Number	

I, the purchaser named above, claim an exemption from payment of sales and use taxes (for the purchase of taxable items described below or on the attached order or invoice) from

Seller: HOLT CAT

Street address: 3302 South W W White Road City, State, ZIP code: San Antonio TX 78222

Description of items to be purchased or on the attached order or invoice.

**CATERPILLAR 120M MOTORGRADER**  
**S/N B9C00338**

Purchaser claims this exemption for the following reason: For Agriculture, required on each purchase.

**GOVERNMENTAL**

I understand that I will be liable for payment of sales or use taxes which may become due for failure to comply with the provisions of the Tax Code: Limited Sales, Excise, and Use Tax Act; Municipal Sales and Use Tax Act; Sales and Use Taxes for Special Purpose Taxing Authorities; County Sales and Use Tax Act; County Health Services Sales and Use Tax; The Texas Health And Safety Code; Special Provisions Relating to Hospital Districts, Emergency Services Districts, and Emergency Services Districts in counties with a population of 125,00 or less.

I understand that it is a criminal offense to give an exemption certificate to the seller for taxable items that I know, at the time of purchase, will be used in a manner other than that expressed in this certificate and, depending on the amount of tax evaded, the offense may range from a Class C misdemeanor to a felony of the second degree.

Sign Purchaser <i>[Signature]</i>	Title <b>County Auditor</b>	Date <b>9/1/09</b>
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NOTE: This certificate cannot be issued for the purchase, lease, or rental of a motor vehicle.  
**THIS CERTIFICATE DOES NOT REQUIRE A NUMBER TO BE VALID.**  
Sales and Use Tax "Exemption Numbers" or "Tax Exempt" Numbers do not exist.

This certificate should be furnished to the supplier. Do not send the completed certificate to the Comptroller of Public Accounts.

**Amendment No. 1 to Governmental Equipment Lease-Purchase Agreement**  
(For use with Texas Lessees in tax-exempt transactions)

WHEREAS, Caterpillar Financial Services Corporation ("Lessor") and the political subdivision of the State of Texas named below ("Lessee) are parties to that certain Governmental Equipment Lease-Purchase Agreement (the "Agreement"), dated as of SEPTEMBER 14, 2009; and

WHEREAS, Lessor and Lessee have agreed to amend the Agreement as provided herein.

NOW THEREFORE, in consideration of the mutual agreements herein contained and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto, intending to be legally bound, agree as follows:

1. Capitalized terms used herein and not defined herein shall have the meanings ascribed to them in the Agreement.

2. Paragraph 4 of the Agreement is amended and restated in its entirety to read as follows:

**ANNUAL RIGHT OF TERMINATION.** Lessee may terminate this Agreement as of the last day of any calendar year during the term hereof by giving Lessor sixty (60) days prior written notice of its intent to terminate this Agreement (although the failure to give such notice shall not affect Lessee's right to terminate this Agreement as provided herein). In the event Lessee gives to Lessor such notice during the term hereof, Lessee shall, no later than the last day of such calendar year (the "Return Date"), return to Lessor all, but not less than all, of the Equipment, at Lessee's sole expense, in accordance with Paragraph 18, and this Agreement shall terminate on the Return Date. Thereafter, Lessee shall not incur any additional obligations hereunder, provided, that, Lessee shall pay all Lease Payments and other Payments due prior to the Return Date and, provided further, that Lessee shall pay month-to-month rent at the rate set forth above for each month or part thereof that Lessee fails to return the Equipment.

3. Except as amended hereby, the Agreement remains in full force and effect and enforceable in accordance with its terms. This amendment set forth herein shall be effective as of the date hereof.

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be executed by their respective officers duly authorized thereto as of the date of the Agreement set forth above.

**Caterpillar Financial Services Corporation**

**NAVARRO COUNTY, TEXAS PCT. 1**

By: \_\_\_\_\_

By:  \_\_\_\_\_

Name: \_\_\_\_\_

Name: H. M. DAVENPORT, JR.

Title: \_\_\_\_\_

Title: COUNTY JUDGE

**Option B**

I elect to obtain my own commercial insurance on the equipment shown below from the following agent and insurance company. I understand that the processing of this transaction may be held pending receipt and verification of this information.

Date SEPTEMBER 2, 2009

Customer's Name NAVARRO COUNTY, TEXAS PCT. 1

Address 300 W 3RD AVE STE 10

City CORSICANA State TX Zip 75110

Dealer Name HOLT TEXAS, LTD.

I have entered into the above agreement under which I am responsible for providing insurance against ALL RISKS of direct physical loss or damage for the actual cash value of the following equipment, subject to common exclusions such as damage caused by corrosion, rust, mechanical or electrical breakdown, etc.

Model # Serial #	Equipment Description	Value Including Tax
A. 120M B9C00338	Caterpillar Motor Grader	\$182,478.00
B.		
C.		
D.		

TEXAS ASSOCIATION OF COUNTIES  
Insurance Agency  
ALEXANDRA ADUDELL  
Insurance Agent's Name  
1210 SAN ANTONIO STREET  
Street Address  
AUSTIN TEXAS 78701  
City State Zip  
512-478-8753 512-478-1426  
Agent's Phone Number Fax Number  
alexandraa@county.org  
Agent's E-mail Address

**TO CUSTOMER'S INSURANCE AGENT**

I hereby instruct you to add Caterpillar Financial Services Corporation as a loss payee:

- To my existing policy number \_\_\_\_\_, which now provides the coverage required, or
- To a policy which you are authorized to issue in the name listed above which will provide the coverage required.

Caterpillar Financial Services Corp must be given written notice within 30 days of any cancellation or non-renewal. It is also understood and agreed that a breach of the insuring conditions by the customer, or any other person shall not invalidate the insurance to Caterpillar Financial Services Corporation.

KATHY B. HOLLOMON Kathy B. Hollomon 9/14/09  
Print Name Customer Signature Date

**PROCESSING OF THIS TRANSACTION MAY BE HELD PENDING RECEIPT OF THIS INFORMATION.**

**PLEASE FORWARD A COPY OF THE CERTIFICATE OR BINDER EVIDENCING COVERAGE TO:**

**CATERPILLAR FINANCIAL SERVICES CORPORATION**  
**2120 West End Avenue**  
**Nashville, TN 37203**  
**Fax #: 615-341-1627**

**PLEASE ATTACH A COPY OF THIS NOTICE TO PROOF OF INSURANCE**

ATTACHMENT B

LESSEE'S AUTHORIZING RESOLUTION

Whereas, NAVARRO COUNTY, TEXAS PCT. 1 (the "Governmental Entity"), a body politic and corporate duly organized and existing as a political subdivision, municipal corporation or similar public entity of the State of Texas (the "State"), is authorized by the laws of the State to purchase, acquire and lease personal property for the benefit of the Governmental Entity and its inhabitants and to enter into contracts with respect thereto; and

Whereas, in order to acquire such equipment, the Governmental Entity proposes to enter into a lease-purchase transaction pursuant to that certain Governmental Equipment Lease-Purchase Agreement (the "Agreement") with Caterpillar Financial Services Corporation, the form of which has been presented to the governing body of the Governmental Entity at this meeting;

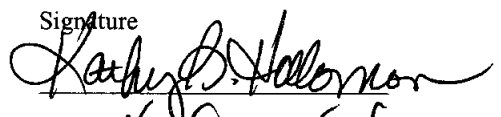
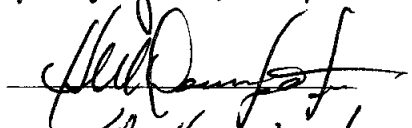
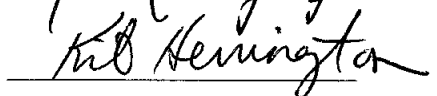
Now, Therefore, Be It And It Is Hereby Resolved:

Section 1. Approval of Documents. The form, terms and provisions of the Agreement and all other schedules and exhibits attached thereto are hereby approved in substantially the form presented at this meeting, with such insertions, omissions and changes as shall be approved by counsel of the Governmental Entity or other members of the governing body of the Governmental Entity executing the same, the execution of such documents being conclusive evidence of such approval; and the persons holding the titles listed below or any other officer of the Governmental Entity who shall have the power to execute contracts on its behalf are hereby authorized and directed to execute, acknowledge, countersign and deliver the Agreement and all exhibits attached thereto, and the Secretary/Clerk of the Governmental Entity is hereby authorized to attest to the foregoing and affix the seal of the Governmental Entity to such documents.

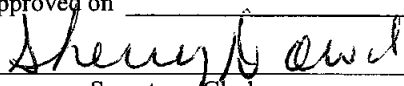
Section 2. Other Actions Authorized. The officers and employees of the Governmental Entity shall take all action necessary or reasonably required by the parties to the Agreement to carry out, give effect to and consummate the transactions contemplated thereby and to take all action necessary in conformity therewith, including, without limitation, the execution and delivery of any closing and other documents required to be delivered in connection with the Agreement.

Section 3. No General Liability. Nothing contained in this Resolution, the Agreement, or any other instrument shall be construed with respect to the Governmental Entity as incurring a pecuniary liability or charge upon the general credit of the Governmental Entity or against its taxing power, nor shall the breach of any agreement contained in this Resolution, the Agreement, or any other instrument or document executed in connection therewith impose any pecuniary liability upon the Governmental Entity or any charge upon its general credit or against its taxing power, except to the extent that the payments payable under the Agreement are special limited obligations of the Governmental Entity as provided in the Agreement.

Section 4. Authorized Signatories. Following are the true names, correct titles and specimen signatures of the incumbent officers referred to in the foregoing resolution:

Name (Print or Type)	Title (Print or Type)	Signature
<u>KATHY B. HOLLOMON</u>	<u>COUNTY AUDITOR</u>	
<u>H. M. DAVENPORT, JR.</u>	<u>COUNTY JUDGE</u>	
<u>KIT HERRINGTON</u>	<u>COMMISSIONER PCT #1</u>	

Section 5. Effective Date. This Resolution shall be effective immediately upon its approval and adoption. This Resolution was adopted and approved on \_\_\_\_\_.

Signature:   
Secretary/Clerk

Name Printed: SHERRY DOWD

Date: 9-14-09





ATTACHMENT C

OPINION OF LESSEE'S COUNSEL

(Please Furnish this Text on Attorney's Letterhead)

Date: 9/14/2009

Lessor: Caterpillar Financial Services Corporation  
2120 West End Avenue  
Nashville, TN 37203-0001

Re: Governmental Equipment Lease-Purchase Agreement dated as of 9/14/2009, by and between **NAVARRO COUNTY, TEXAS PCT. 1** and Lessor.

Ladies and Gentlemen:

I have acted as counsel to Lessee in connection with the execution and delivery by Lessee of the Governmental Equipment Lease-Purchase Agreement described above, and all related exhibits, attachments and other documents necessary to consummate the transactions contemplated therein (collectively, the foregoing is referred to as the "Lease").

Based upon the foregoing examination and upon an examination of such other documents, records, and certificates and having made such other investigation as I consider necessary to render the opinions herein, I am of the opinion that:

1. Lessee is a government duly organized and legally existing as a political subdivision under the Constitution and laws of the State of Texas (the "State") with full power and authority to enter into the Lease and to carry out its obligations thereunder and the transactions contemplated thereby.

2. The Lease has been duly authorized, executed and delivered by Lessee and, assuming due authorization, execution and delivery thereof by Lessor, constitutes the legal, valid and binding obligation of Lessee, enforceable against Lessee in accordance with its terms, subject to any applicable bankruptcy, insolvency, moratorium or other laws or equitable principles affecting the enforcement of creditors' rights generally, and does not violate any judgment, order, law or regulation applicable to Lessee.

3. No litigation or proceeding is pending or, to the best of my knowledge, threatened to restrain or enjoin the execution, delivery or performance by Lessee of the Lease or in any way to contest the validity of the Lease, to contest or question the creation or existence of Lessee or its governing body or the authority or ability of Lessee to execute or deliver the Lease or to comply with or perform its obligations thereunder. There is no litigation pending or, to the best of my knowledge, threatened that seeks to or could restrain or enjoin Lessee from annually appropriating sufficient funds to pay the Lease Payments (as defined in the Lease) or other amounts contemplated by the Lease.

4. The authorization, approval and execution of the Lease and all other proceedings of Lessee relating to the transactions contemplated thereby have been performed in accordance with all applicable open meeting, public records, public bidding and all other laws, rules and regulations of the State. The appropriation of moneys to pay the Lease Payments coming due under the Lease does not and will not result in the violation of any constitutional, statutory or other limitation relating to the manner, form or amount of indebtedness which may be incurred by Lessee.

5. The Lessee is within the meaning of Section 103 of the Internal Revenue Code of 1986, as amended, and Treasury Regulations and Rulings related thereto, a state or fully constituted political subdivision or agency of a state. The portion of Lease Payments made by Lessee identified as the interest component thereof will not be includible as Federal gross income under applicable statutes, regulations, court decisions and rulings existing on the date of this opinion is not an item of tax preference and consequently will be exempt from present Federal income taxes except to the extent taken into account in determining adjusted current earnings for the purpose of computing the alternative minimum tax imposed on certain corporations.

Very truly yours,

\_\_\_\_\_  
type name and title under signature

**CATERPILLAR FINANCIAL SERVICES CORPORATION**

HOLT TEXAS, LTD.  
HOLT AVE @ SOUTH W W WHITE RD  
P.O. BOX 207916  
SAN ANTONIO TX 782207916

Reference:                NAVARRO COUNTY, TEXAS PCT. 1

We are requesting a copy of the minutes of the appropriation meeting during which the funds for this deal were allocated.

A copy of this information is necessary to complete the documentation package and to fund the deal. Your ability to return a complete package will ensure timely payment to you.

Thank you for your assistance.

CATERPILLAR FINANCIAL SERVICES CORPORATION  
DOCUMENTATION DEPARTMENT



### PURCHASE AGREEMENT

This Purchase Agreement, dated as of \_\_\_\_\_, is between **HOLT TEXAS, LTD.** ("Vendor") and **Caterpillar Financial Services Corporation** ("Cat Financial"). Vendor agrees to sell to Cat Financial and Cat Financial agrees to buy from Vendor the equipment described below (the "Unit(s)"), subject to the terms and conditions set forth below and on the reverse side hereof.

<u>Description of Unit(s)</u>		<u>Serial#</u>	<u>Freight</u>	<u>Total Price</u>
(1) 120M	New	Caterpillar Motor Grader	\$0.00	\$167,478.00

**Lessee:**  
**NAVARRO COUNTY, TEXAS PCT. 1**  
  
**300 W 3RD AVE STE 10**  
  
**CORSICANA, TX 75110**

<b>Subtotal</b>	<b>167,478.00</b>
<b>Tax</b>	<b>0.00</b>
<b>Total Purchase Price</b>	<b>167,478.00</b>

**Unit(s) Delivery Point:**  
**300 W 3RD AVE**  
**CORSICANA, TX 75110, NAVARRO**

See next page for additional terms and conditions.

**HOLT TEXAS, LTD.**  
 (Vendor)  
 Signature \_\_\_\_\_  
 Name (PRINT) \_\_\_\_\_  
 Title \_\_\_\_\_  
 Date \_\_\_\_\_

**Caterpillar Financial Services Corporation**  
 Signature \_\_\_\_\_  
 Name (PRINT) \_\_\_\_\_  
 Title \_\_\_\_\_  
 Date \_\_\_\_\_



## ADDITIONAL TERMS AND CONDITIONS

1. The lessee named on the front hereof (the "Lessee") has selected the Unit(s), instructed Cat Financial to purchase the Unit(s) from Vendor, and agreed to lease the Unit(s) from Cat Financial.
2. Cat Financial (or its assignee) will have no obligation hereunder (and any sums previously paid by Cat Financial to Vendor with respect to the Unit(s) shall be promptly refunded to Cat Financial) unless (a) all of the conditions set forth in Section 1.3 (if a master lease agreement) or Section 1 (if a non-master lease agreement) of the lease with the Lessee covering the Unit(s) have been timely fulfilled and (b) the Lessee has not communicated to Cat Financial (or its assignee), prior to "Delivery" (as hereinafter defined) of the Unit(s), an intent not to lease the Unit(s) from Cat Financial. All conditions specified in this paragraph shall be deemed timely fulfilled unless prior to Delivery of the Unit(s), Cat Financial (or its assignee) shall notify Vendor to the contrary in writing, which shall include fax or email. "Delivery" shall mean the later of the time (a) Cat Financial executes this Purchase Agreement or (b) the Lessee or its agent takes control and/or physical possession of the Unit(s).
3. Upon timely satisfaction of the conditions specified in Paragraph 2 above, ownership, title and risk of loss to the Unit(s) shall transfer to Cat Financial (or its assignee) upon Delivery of the Unit(s).
4. Vendor warrants that (a) upon Delivery of the Unit(s), Cat Financial (or its assignee) will be the owner of and have absolute title to the Unit(s) free and clear of all claims, liens, security interests and encumbrances and the description of the Unit(s) set forth herein is correct and (b) the Unit Transaction Price set forth on the front hereof for each unit of Unit(s) leased under a lease is equal to such Unit(s)'s fair market value.
5. Vendor shall forever warrant and defend the sale of the Unit(s) to Cat Financial (or its assignee), its successors and assigns, against any person claiming an interest in the Unit(s).
6. Provided that no event of default exists under any agreement between Lessee and Cat Financial and upon timely satisfaction of the conditions specified in Paragraph 2 above, and unless otherwise agreed to in this Purchase Agreement, Cat Financial (or its assignee) shall pay Vendor the total Purchase Price set forth on the front hereof for the Unit(s) within three business days following (a) the receipt and approval by Cat Financial of all documentation deemed necessary by Cat Financial in connection with the lease transaction and (b) all credit conditions have been satisfied.
7. Vendor shall deliver the Unit(s) to the Lessee at the delivery point set forth on the front hereof.
8. This Purchase Agreement may be assigned by Cat Financial to a third party. Vendor hereby consents to any such assignment.
9. This Purchase Agreement shall become effective only upon execution by Cat Financial.

Trey Meekles → (512) 936-7946  
93

**GRANT CONTRACT BETWEEN  
THE OFFICE OF THE ATTORNEY GENERAL  
AND  
NAVARRO COUNTY DISTRICT ATTORNEY'S OFFICE  
FOR THE STATE FISCAL YEARS 2010 AND 2011**

**OAG Contract No. 1014422**

This contract is executed between the Office of the Attorney General (OAG) and NAVARRO COUNTY DISTRICT ATTORNEY'S OFFICE (GRANTEE) for certain grant funds. The Office of the Attorney General and NAVARRO COUNTY DISTRICT ATTORNEY'S OFFICE may be referred to in this contract individually as "Party" or collectively as "Parties."

**SECTION 1. PURPOSE OF THE CONTRACT**

The purpose of the Victim Coordinator and Liaison Grant (VCLG) program is to fund the mandated positions described in the Texas Code of Criminal Procedure, Article 56.04, specifically Victim Assistance Coordinators (VAC) in prosecutor offices and Crime Victim Liaisons (CVL) in law enforcement agencies. It is intended that the grants will be awarded through a competitive selection and allocation process taking into consideration, among other criteria, the number of victims that may be served by a program. The purpose of this grant contract is to provide reasonable contractual controls to ensure that the public purposes of the grant are achieved. In addition to the duties imposed in the Texas Code of Criminal Procedure, Article 56.04 (and more specifically described in Article 56.02), VACs and CVLs are also expected to promote and educate the community and other professionals about victim rights and services in an effort to identify crime victims and provide or refer them to needed services. In general, and subject to the limitations of each specific grant contract with each VCLG Grantee, VCLG grant contracts awarded must be used for victim-related services or assistance.

**SECTION 2 TERM OF THE CONTRACT**

This contract shall begin on September 1, 2009 and shall terminate August 31, 2011, unless it is terminated earlier in accordance with another provision of this contract. The OAG is not obligated to reimburse expenses that were incurred prior to the commencement or after the termination of this contract.

### SECTION 3 GRANTEE'S CONTRACTUAL SERVICES

**3.1 GRANTEE's Compliance with the OVAG/VCLG FY 2010-2011 Grant Application Kit.** GRANTEE will comply with the terms and conditions as set forth and required in the OVAG/VCLG FY 2010-2011 Grant Application Kit ("Application Kit") if not supplemented, amended or adjusted by the OAG, as acknowledged by GRANTEE.

**3.2 Establishment of Final Project Budget, Targets, Outputs, Outcomes, and Special Conditions.**

The OAG, at its sole discretion, establishes the initial Budget for this grant project, as reflected on the attached Exhibit A. If any adjustments were made by the OAG to GRANTEE's budget, those adjustments will be reflected on the attached Exhibit A. The final Narrative, as submitted by GRANTEE, is attached as Exhibit B. If any Special Conditions were imposed by the OAG, those provisions will be reflected on the attached Exhibit C.

The OAG, at its sole discretion, will establish the final project targets, outputs, and outcomes. In addition, the OAG, at its sole discretion, may adjust GRANTEE's budget, targets, outputs, outcomes, and/or any other items as deemed appropriate by the OAG, at any time, during the term of this contract.

### SECTION 4 GRANTEE'S OBLIGATIONS AND REQUIRED REPORTS

#### 4.1 General Matters

**4.1.1 Required Reports; Form of Reports; Filings with the OAG.** GRANTEE shall forward to the OAG, the applicable reports on forms as specified by the OAG. GRANTEE shall establish procedures to ensure that it files each document or form required by the OAG in an accurate and timely manner. Unless filing dates are given herein, all other reports and other documents that GRANTEE is required to forward to the OAG shall be promptly forwarded. From time to time, the OAG may require additional information from GRANTEE.

**4.1.2 Cooperation; Additional Information.** GRANTEE shall cooperate fully with the OAG. In addition to the information contained in the required reports, other information may be required as requested by the OAG.

**4.1.3 Notification of Changes in Organization, Changes in Authorized Official or Grant Contact.** GRANTEE shall submit within ten (10) business days notice to the OAG of any change of the following: GRANTEE's name; contact information; key personnel, officer, director or partner; organizational structure; legal standing; or authority to do business in Texas. GRANTEE shall promptly notify the OAG, preferably in advance, of a change in address or main telephone number of GRANTEE. A change in GRANTEE's name requires an amendment to the contract.

GRANTEE must submit a written request by the governing body on GRANTEE's letterhead, with original signature, to change an Authorized Official. GRANTEE, by an email, fax or GRANTEE letterhead signed by the Authorized Official, may request a change to the Grant Contact.

**4.1.4 Standards for Financial and Programmatic Management.** GRANTEE and its governing body shall bear full and sole responsibility for the integrity of the fiscal and programmatic management of the organization.

Such fiscal and programmatic management shall include accountability for all funds and materials received from the OAG; compliance with OAG rules, policies and procedures, and applicable federal and state laws and regulations; and correction of fiscal and program deficiencies identified through self-evaluation and/or the OAG's monitoring processes. Ignorance of any contract provisions or other requirements referenced in this contract shall not constitute a defense or basis for waiving or failing to comply with such provisions or requirements.

GRANTEE shall develop, implement, and maintain financial management and control systems that include appropriate financial planning, including the development of budgets that adequately reflect all functions and resources necessary to carry out authorized activities and the adequate determination of costs; financial management systems, including accurate and complete payroll, accounting, and financial reporting records; cost source documentation; effective internal and budgetary controls; determination of reasonableness, allocation of costs; and timely and appropriate audits and resolution of any findings; and annual financial statements, including statements of financial position, activities, and cash flows, prepared on an accrual basis in accordance with Generally Accepted Accounting Principles (GAAP) or other recognized accounting principle.

**4.1.5. Security and Confidentiality of Records.** GRANTEE shall establish a method to secure the confidentiality of records and other information relating to services provided in accordance with applicable federal and state law, rules and regulations. This provision shall not be construed as limiting the OAG's access to such records and other information.

## **4.2 Programmatic Reports**

**4.2.1 Quarterly Statistical (Performance) Reports.** GRANTEE shall forward to the OAG quarterly statistical reports no later than the 30th day of each month following the end of the quarter. The four quarters end on the last day of the month of November, February, May and August. Accordingly, quarterly statistical reports, for each quarter, are due on or before December 30, 2009, March 30, 2010, June 30, 2010, September 30, 2010, December 30, 2010, March 30, 2011, June 30, 2011 and continuing until the last quarterly statistical report which is due on or before September 30, 2011.

**Contents of Quarterly Statistical Reports.** The quarterly statistical reports shall contain, at a minimum, information on the following statistical measures:

- a. Targets as established by the OAG;

- b. Outputs and Outcomes as established by the OAG; and
- c. Program Impact Narratives.

**4.2.2 Written Explanation of Variance.** GRANTEE is required to provide a written explanation to the OAG for any variances on the quarterly statistical report for any year-to-date performance by GRANTEE that varies from projected performance. In addition to the written explanation, GRANTEE shall promptly answer any questions of the OAG, whether in writing or otherwise, in connection with the quarterly and annual reports presented to the OAG.

**4.2.3 Other Program Reports.** GRANTEE shall cooperate fully in any social studies, fiscal or programmatic monitoring, auditing, evaluating, and other reviews pertaining to services rendered by GRANTEE which may be conducted by the OAG or its designees.

GRANTEE shall submit service delivery reports required by the contract or self-evaluations of performance and other reports requested by the OAG in appropriate format and on a timely basis and make available at reasonable times and for reasonable periods, client records and other programmatic or financial records, books, reports, and supporting documents for reviewing and copying by the OAG or its designees.

### **4.3 Financial Matters**

**4.3.1 Annual Budgets.** With regard to the use of funds pursuant to this contract, GRANTEE will immediately review the annual budget for each fiscal year as shown on Exhibit A.

**4.3.2 Monthly Request for Reimbursement and Financial Status Report.** OVAG grant funds are paid on a cost reimbursement basis. GRANTEE will submit, each month, a monthly request for reimbursement for the actual and allowable allocable costs incurred by GRANTEE for project costs to provide services under this contract. The payments made to GRANTEE shall not exceed its actual and allowable allocable costs to provide the services under this contract.

The request for reimbursement will be submitted to the OAG in the form and manner as approved by the OAG and will specify the detailed and total expenses for the month, in the following cost categories: (i) personnel and fringe benefits, reported separately, (ii) professional and consulting services, (iii) travel, (iv) equipment, (v) supplies, and (vi) other direct operating expenses. The request for reimbursement must be accompanied by supporting documentation as required by the OAG. The OAG may from time to time require different or additional supporting documentation.

A financial status report is required each month, whether GRANTEE has paid expenses, or is seeking reimbursement.

**4.3.3 Fiscal Year End Required Reports.** On or before October 15, 2010 and October 15, 2011, GRANTEE will submit fiscal year end required reports.



- a. **Record of Reimbursement.** GRANTEE will submit a reconciled record of its expenses for the prior fiscal year in the following cost categories: (i) personnel and fringe benefits, reported separately, (ii) professional and consulting services, (iii) travel, (iv) equipment, (v) supplies, and (vi) other direct operating expenses.
- b. **Equipment Inventory Report.** GRANTEE will submit an Equipment Inventory Report which provides record of the current inventory of items purchased, disposed, replaced or transferred of any equipment purchased with grant funds.

**4.3.4 Annual Independent Financial Audit Report.** Unless otherwise noted on Exhibit C (Special Conditions), GRANTEE shall timely submit to the OAG a copy of its annual independent financial audit – “timely” means on or before May 31, 2010 and on or before May 31, 2011 for a grantee whose fiscal year ends on August 31 of each year; otherwise, the timely submission to the OAG is on or before nine (9) months after the end of GRANTEE’s accounting year. GRANTEE will contract an independent CPA firm to perform an annual financial audit engagement. GRANTEE’s independent CPA firm will determine the type of annual financial audit, which may include a compliance attestation in accordance with the requirements of OMB Circular A-133 (audits of State, Local Government, and Non-Profit Organizations) and/or Texas Single Audit Circular (Single Audit or non-Single Audit financial audit). If applicable, GRANTEE will provide the OAG with any and all annual independent financial audits or audited financial statements, related management letters, and management responses of GRANTEE.

**4.3.5 Timing of Submission of Request for Reimbursement to the OAG; Close-Out Invoice.** GRANTEE is responsible for submitting bills in an accurate and timely manner, and shall make every reasonable effort to submit monthly billings to the OAG, which cover the previous month’s expenses, so that they are received by the OAG on or before the twentieth (20<sup>th</sup>) day of each month, or if the 20<sup>th</sup> falls on a weekend or holiday, the next business day. The OAG will make all reasonable efforts to promptly process and make payments on properly completed billings. GRANTEE may submit a final invoice not later than the earlier of (1) forty-five (45) calendar days after termination of this contract; or (2) forty-five (45) calendar days after the end of each state fiscal year.

**4.3.6 Reimbursement of Actual and Allowable Costs.** The OAG shall only reimburse costs incurred and paid by GRANTEE during the term of this contract. The OAG shall only reimburse GRANTEE for employee costs that are directly related to performing the responsibilities of this contract.

**4.3.7 Refunds and Deductions.** If the OAG determines that GRANTEE has been overpaid grant funds under this contract, such as payments made inadvertently or payments made but later determined to not be actual and allowable allocable costs, GRANTEE shall refund that amount of the OAG reimbursement identified by the OAG as an overpayment. The OAG may offset and deduct the amount of the overpayment from any amount owed to GRANTEE, as a reimbursement, but not yet paid by the OAG to GRANTEE. The OAG may choose to require a payment directly from GRANTEE rather than offset and deduct a specified amount. GRANTEE shall refund any

overpayment to the OAG within thirty (30) calendar days of the receipt of the notice of the overpayment from the OAG unless an alternate payment plan is specified by the OAG.

**4.3.8 Purchase of Equipment; Maintenance and Repair; Title upon Termination.** GRANTEE shall not give any security interest, lien or otherwise encumber any item of equipment purchased with contract funds. GRANTEE shall permanently identify all equipment purchased under this contract by appropriate tags or labels affixed to the equipment. GRANTEE shall maintain a current inventory of all equipment or assets, which is available to the OAG at all times upon request.

GRANTEE will administer a program of maintenance, repair, and protection of equipment or assets under this contract so as to ensure the full availability and usefulness of such equipment or assets. In the event GRANTEE is indemnified, reimbursed, or otherwise compensated for any loss of, destruction of, or damage to the assets provided under this contract, it shall use the proceeds to repair or replace said equipment or assets.

To the extent that the OAG reimburses GRANTEE for its purchase of equipment and supplies with funds from this contract, GRANTEE agrees that upon termination of the contract, title to or ownership of all such purchased equipment and supplies, at the sole option of the OAG, shall remain with the OAG.

**4.3.9 Direct Deposit.** GRANTEE may make a written request to the OAG to be placed on Direct Deposit status by completing and submitting to the OAG the State Comptroller's Direct Deposit Authorization Form. After the direct deposit request is approved by the OAG and the setup is completed on the Texas Identification Number System by the State Comptroller's Office, payment will be remitted by direct deposit and the OAG will discontinue providing GRANTEE with copies of reimbursement vouchers.

**SECTION 5 OBLIGATIONS OF OAG**

**5.1 Monitoring.** The OAG is responsible for closely monitoring GRANTEE to ensure the effective and efficient use of grant funds to accomplish the purposes of this contract.

**5.2 Maximum Liability of OAG.** The maximum liability of the OAG for each fiscal year is contained in the attached Exhibit A. Any change to the maximum liability must be supported by a written amendment to this contract.

**5.3 Reimbursement of Grantee Expenses.** The OAG shall be liable to reimburse GRANTEE for all actual and allowable allocable costs incurred by GRANTEE pursuant to this contract. The OAG is not obligated to pay unauthorized costs.

**5.4 Contract Not Entitlement or Right.** Reimbursement with contract funds is not an entitlement or right. Reimbursement depends, among other things, upon strict compliance with all

terms, conditions and provisions of this crisis.

## **SECTION 6    TERMINATION**

**6.1 Termination for Convenience.** Either Party may, at its sole discretion, terminate this contract in whole or in part, without recourse, liability or penalty, upon thirty (30) calendar days notice to the other party.

**6.2 Termination for Cause.** In the event that GRANTEE fails to perform or comply with an obligation of the terms, conditions and provisions of this contract, the OAG may, upon written notice of the breach to GRANTEE, immediately terminate all or any part of this contract.

**6.3 Termination Not Exclusive Remedy; Survival of Terms and Conditions.** Termination is not an exclusive remedy, but will be in addition to any other rights and remedies provided in equity, by law, or under this contract.

Termination of this contract for any reason or expiration of this contract shall not release the Parties from any liability or obligation set forth in this contract that is expressly stated to survive any such termination or by its nature would be intended to be applicable following any such termination. The following terms and conditions, (in addition to any others that could reasonably be interpreted to survive but are not specifically identified), survive the termination or expiration of this contract: Sections 4.2.1; 4.2.2; 4.2.3; 4.3.2; 4.3.3; 4.3.4; 4.3.5; 4.3.7; 4.3.8; Section 7; Section 11.1; 11.2; 11.3; 11.10; 11.11; Section 12.

## **SECTION 7    AUDIT RIGHTS; RECORDS RETENTION**

**7.1 Duty to Maintain Records.** GRANTEE shall maintain adequate records to support its charges, procedures, and performances to the OAG for all work related to this contract. GRANTEE also shall maintain such records as are deemed necessary by the OAG, OAG's auditor, the State Auditor's Office or other auditors of the State of Texas, the United States, or such other persons or entities designated by the OAG, to ensure proper accounting for all costs and performances related to this contract.

**7.2 Records Retention.** GRANTEE shall maintain and retain for a period of four (4) years after the submission of the final expenditure report, or until full and final resolution of all audit or litigation matters which arise after the expiration of the four (4) year period after the submission of the final expenditure report, whichever time period is longer, such records as are necessary to fully disclose the extent of services provided under this contract, including but not limited to any daily activity reports and time distribution and attendance records, and other records that may show the basis of the charges made or performances delivered.

**7.3 Audit Trails.** GRANTEE shall maintain appropriate audit trails to provide accountability for updates to mission critical information, charges, procedures, and performances. Audit trails maintained by GRANTEE will, at a minimum, identify the supporting documentation prepared by GRANTEE to permit an audit of the system by tracing the activities of individuals through the system. GRANTEE's automated systems must provide the means whereby authorized personnel have the ability to audit and to verify contractually required performances and to establish individual accountability for any action that can potentially cause access to, generation of, or modification of confidential information.

**7.4 Access and Audit.** GRANTEE shall grant access to and make available copies of all paper and electronic records, books, documents, accounting procedures, practices, and any other items relevant to the performance of this contract, compliance with the applicable state or federal laws and regulations, and the operation and management of GRANTEE to the OAG or its designees for the purposes of inspecting, auditing, or copying such items. GRANTEE will direct any contractor to discharge GRANTEE's obligations to likewise permit access to, inspection of, and reproduction of all books and records of the subcontractor(s) that pertain to this contract. All records, books, documents, accounting procedures, practices, and any other items, in whatever form, relevant to the performance of this contract, shall be subject to examination or audit. Whenever practical as determined at the sole discretion of the OAG, the OAG shall provide GRANTEE with up to five (5) business days advance notice of any such examination or audit.

**7.5 Location.** Any audit of records shall be conducted at GRANTEE's principal place of business and/or the location(s) of GRANTEE's operations during GRANTEE's normal business hours. GRANTEE shall provide to OAG or its designees, on GRANTEE's premises (or if the audit is being performed of a subcontractor, the subcontractor's premises if necessary) private space, office furnishings (including lockable cabinets), telephone and facsimile services, utilities and office-related equipment and duplicating services as OAG or its designees may reasonably require to perform the audits described in this contract.

## **SECTION 8 SUBMISSION OF INFORMATION TO THE OAG**

The OAG will designate methods for submission of information to the OAG by GRANTEE. The OAG generally requires submission of information via email or hard copy format. Some reporting requirements must occur via the internet and/or a web-based data collection method.

**8.1 Programmatic Reports and Information (excluding Financial Reports).** All quarterly statistical reports, annual performance reports, correspondence, reports or notices, except financial reports specified below, must be submitted via email to:

OAG-Grants@oag.state.tx.us

If requested or approved by the OAG, other programmatic reports, may be submitted to:

Program Manager – Grants Administration Division  
Office of the Attorney General  
Mail Code 005  
Post Office Box 12548  
Austin, Texas 78711-2548

**8.2 Financial Reports (excluding Programmatic Reports and Information).** All financial status reports, requests for reimbursement, audits, and inventory reports, must be submitted in hard copy format to:

Financial Manager – Grants Administration Division  
Office of the Attorney General  
Mail Code 005  
Post Office Box 12548  
Austin, Texas 78711-2548

The Annual Independent Financial Audit and related documents, as well as any other reports, if requested or approved by the OAG, may be submitted to:

OAG-Grants@oag.state.tx.us

**SECTION 9 CORRECTIVE ACTION PLANS AND SANCTIONS**

The Parties agree to make a good faith effort to identify, communicate and resolve problems found by either the OAG or GRANTEE.

**9.1 Corrective Action Plans.** If the OAG finds deficiencies with GRANTEE’s performance under this contract, the OAG, at its sole discretion, may impose one or more of the following remedies as part of a corrective action plan: increase monitoring visits; require additional or more detailed financial and/or programmatic reports be submitted; require prior approval for expenditures; require additional technical or management assistance and/or make modifications in business practices; reduce the contract amount; and/or terminate this contract. The foregoing are not exclusive remedies, and the OAG may impose other requirements that the OAG determines will be in the best interest of the State.

**9.2 Financial Hold.** Failure to comply with submission deadlines for required reports, invoices, or other requested information, may result in the OAG, at its sole discretion, placing GRANTEE on immediate financial hold without further notice to GRANTEE and without first requiring a corrective action plan. No reimbursements will be processed until the requested information is submitted. If GRANTEE is placed on financial hold, the OAG, at its sole discretion, may deny reimbursement requests associated with expenses incurred during the time GRANTEE was placed on

financial hold.

**9.3 Sanctions.** In addition to financial hold, the OAG, at its sole discretion, may impose other sanctions without first requiring a corrective action plan. The OAG, at its sole discretion, may impose sanctions, including, but not limited to, withhold or suspend funding, offset previous reimbursements, require repayment, disallow claims for reimbursement, reduce funding, terminate this contract and/or any other appropriate sanction.

**9.4 No Waiver.** Notwithstanding the imposition of corrective actions, financial hold and/or sanctions, GRANTEE remains responsible for complying with the contract terms and conditions. Corrective action plans, financial hold and/or sanctions do not excuse or operate as a waiver of prior failure to comply with this contract.

## **SECTION 10 GENERAL TERMS AND CONDITIONS**

**10.1 Federal and State Laws, Rules and Regulations, Directives, Guidelines, OMBs and Other Relevant Authorities.** GRANTEE agrees to comply with all applicable federal and state laws, rules and regulations, directives, guidelines, OMB circulars, or any other authorities relevant to the performance of GRANTEE under this contract.

**10.2 Uniform Grant Management Act, UGMS and Applicable Standard Federal and State Certifications and Assurances.** GRANTEE agrees to comply with applicable laws, executive orders, regulations and policies as well as the Uniform Grant Management Act of 1981 (UGMA), Texas Government Code, Chapter, 783, as amended, GRANTEE agrees to comply with Uniform Grant Management Standards (UGMS), as promulgated by the Governor's Budget and Planning Office. GRANTEE agrees to comply with the applicable Office of Management and Budget (OMB) Circulars A-21, A-87 or A-122 relating to cost principles; OMB Circular 1-110 relating to administrative Requirements; and OMB Circular 1-133 relating to audit requirements. GRANTEE also shall comply with all applicable federal and state assurances contained in UGMS, Part III, State Uniform Administrative Requirements for Grants and Cooperative Agreements, Subpart A, \_\_\_14, State Assurances. Further, GRANTEE agrees to comply with the applicable OAG Certifications and Assurances, as contained in the Application Kit, including, but not limited to, the equal employment opportunity program certification, disclosure and certification regarding lobbying, non-procurement debarment certification, drug-free workplace certification, annual single audit certification, compliance with annual independent financial audit filing requirement, compliance with UGMS and the applicable OMB circulars, return of grant funds in the event of loss or misuse, and conflict of interest.

**10.3 Generally Accepted Accounting Principles or Other Recognized Accounting Principles.** GRANTEE shall adhere to Generally Accepted Accounting Principles (GAAP) promulgated by the American Institute of Certified Public Accountants, unless other recognized accounting principles are required by GRANTEE, and follow OAG fiscal management policies and procedures in

processing and submitting for reimbursement GRANTEE's billing and maintaining financial records related to this contract.

**10.4 Conflicts of Interest; Disclosure of Conflicts.** GRANTEE has not given, offered to give, nor intends to give at any time hereafter, any economic opportunity, future employment, gift, loan, gratuity, special discount, trip, favor, or service to a public servant or employee of the OAG, at any time during the negotiation of this contract or in connection with this contract, except as allowed under relevant state or federal law. GRANTEE will establish safeguards to prohibit its employees from using their positions for a purpose that constitutes or presents the appearance of personal or organizational conflict of interest or personal gain. GRANTEE will operate with complete independence and objectivity without actual, potential or apparent conflict of interest with respect to their performance under this contract. GRANTEE must disclose, in writing, within fifteen (15) calendar days of discovery, any existing or potential conflicts of interest relative to their performance under this contract.

**10.5 Compliance with Regulatory and Licensing Bodies.** GRANTEE agrees that it has obtained all licenses, certifications, permits and authorizations necessary to perform the responsibilities of this contract and currently is in good standing with all regulatory agencies that regulate any or all aspects of GRANTEE's business or operations. GRANTEE agrees to remain in good standing with the Texas Secretary of State, Texas Comptroller of Public Accounts and related Federal governmental bodies related to GRANTEE's right to conduct it business in Texas. GRANTEE agrees to comply with all applicable licenses, legal certifications, inspections, and any other applicable local ordinance, state, or federal laws.

**SECTION 11 SPECIAL TERMS AND CONDITIONS**

**11.1 Independent Contractor Status; Indemnity and Hold Harmless Agreement.** GRANTEE expressly agrees that it is an independent contractor and under no circumstances shall any owners, incorporators, officers, directors, employees, or volunteers of GRANTEE be considered a state employee, agent, servant, joint venturer, joint enterpriser or partner of the OAG or the State of Texas. GRANTEE agrees to take such steps as may be necessary to ensure that each contractor of GRANTEE will be deemed to be an independent contractor and will not be considered or permitted to be an agent, servant, joint venturer, joint enterpriser or partner of OAG.

All persons furnished, used, retained, or hired by or on behalf of GRANTEE or any of their contractors shall be considered to be solely the employees or agents of GRANTEE or the contractors. GRANTEE or contractors shall be responsible for ensuring that there is payment of any and all appropriate payments, such as unemployment, workers compensation, social security, any benefit available to a state employee as a state employee, and other payroll taxes for such persons, including any related assessments or contributions required by law.

**GRANTEE or contractors are responsible for all types of claims whatsoever due to the actions or performance under this contract, including, but not limited to, the use of automobiles or other transportation, taken by its owners, incorporators, officers, directors, employees, volunteers or any third parties and GRANTEE and/or contractors will indemnify and hold harmless the OAG and/or the State of Texas from and against any and all claims arising out of their actions or performance under this contract. GRANTEE agrees to indemnify and hold harmless the OAG and/or the State of Texas from any and all liability, actions, claims, demands, or suits, and all related costs, attorney fees, and expenses, that arise from or are occasioned by the negligence, misconduct, or wrongful act or omission of GRANTEE, its employees, representatives, agents, or subcontractors in their performance under this contract.**

**11.2 Publicity.** GRANTEE shall not use the OAG's name or refer to the OAG directly or indirectly in any media release, public service announcement or public service disclosure relating to this contract or any acquisition pursuant hereto, including in any promotional or marketing materials, without first obtaining the written consent from the OAG. This section is not intended and does not limit GRANTEE's ability to comply with its obligations and duties under the Texas Open Meetings Act and/or the Texas Public Information Act.

**11.3 Intellectual Property.** GRANTEE understands and agrees that where funds obtained under this contract may be used to produce original books, manuals, films, or other original material and intellectual property, GRANTEE may copyright such material subject to the royalty-free, non-exclusive, and irrevocable license which is hereby reserved by the OAG and GRANTEE hereby grants to the OAG or the state (or federal government, if federal funds are expended in this grant) government. The OAG is granted the unrestricted right to use, copy, modify, prepare derivative works, publish and distribute, at no additional cost to the OAG, in any manner the OAG deems appropriate at its sole discretion, any component of such intellectual property made the subject of this contract.

**11.4 Program Income.** Gross income directly generated from the OVAG grant funds through a project or activity performed under this contract are considered program income. Unless otherwise required under the terms of this contract, any program income shall be used by GRANTEE to further the program objectives of the project or activity funded by this grant, and the program income shall be spent on the same project or activity in which it was generated. GRANTEE shall identify and report this income in accordance with the OAG's reporting instructions. GRANTEE shall expend program income during this contract term; program income not expended in this contract term shall be refunded to the OAG.

**11.5 No Supplanting.** GRANTEE shall not supplant or otherwise use funds from this contract to replace or substitute existing funding from other sources that also supports the activities that are the subject of this contract.

**11.6 No Solicitation or Receipt of Funds on Behalf of OAG.** It is expressly agreed that any solicitation for or receipt of funds of any type by GRANTEE is for the sole benefit of GRANTEE



and is not a solicitation for or receipt of funds on behalf of the OAG or the Attorney General of the State of Texas.

**11.7 No Subcontracting or Assignment Without Prior Written Approval of OAG.** GRANTEE may not subcontract or assign any of its rights or duties under this contract without the prior written approval of the OAG. It is within the OAG’s sole discretion to approve any subcontracting or assignment. In the event OAG approves subcontracting or assignment by GRANTEE, GRANTEE will ensure that its contracts with others shall require compliance with the provisions of this contract to the extent compliance is needed to support GRANTEE’s compliance with this contract. GRANTEE, in subcontracting for any performances specified herein, expressly understands and agrees that it is not relieved of its responsibilities for ensuring that all performance is in compliance with this contract and that the OAG shall not be liable in any manner to GRANTEE’s subcontractor(s).

**11.8 No Grants to Certain Organizations.** Consistent with Rider 12, in S.B. 1, Article I, Strategy C.1.2, Victims Assistance, 81st Leg. Reg. Sess. (2009), GRANTEE confirms that by executing this contract that it does not make contributions to campaigns for elective office or endorse candidates.

**11.9 No Waiver of Sovereign Immunity.** The Parties agree that no provision of this contract is in any way intended to constitute a waiver by the OAG or the State of Texas of any immunities from suit or from liability that the OAG or the State of Texas may have by operation of law.

**11.10 Governing Law; Venue.** This contract is made and entered into in the State of Texas. This contract and all disputes arising out of or relating thereto shall be governed by the laws of the State of Texas, without regard to any otherwise applicable conflict of law rules or requirements.

Except where state law establishes mandatory venue, GRANTEE agrees that any action, suit, litigation or other proceeding (collectively “litigation”) arising out of or in any way relating to this contract shall be commenced exclusively in the Travis County District Court or the United States District Court in the Western District, Austin Division, and to the extent allowed by law, hereby irrevocably and unconditionally consent to the exclusive jurisdiction of those courts for the purpose of prosecuting and/or defending such litigation. GRANTEE hereby waives and agrees not to assert by way of motion, as a defense, or otherwise, in any suit, action or proceeding, any claim that GRANTEE is not personally subject to the jurisdiction of the above-named courts, the suit, action or proceeding is brought in an inconvenient forum and/or the venue is improper.

**11.11 Limitation on Civil Legal Services Providers.** If GRANTEE is a provider of civil legal services to victims of crime, GRANTEE will comply with the following:

**11.11.1 Services to Indigent Clients.** GRANTEE shall provide victim-related civil legal services directly to indigent victims, indigent immediate family members of indigent victims, or indigent claimants. “Indigent” means an individual who earns not more than 187 ½% of the federal poverty

guidelines published by the United States Department of Health and Human Services. Victims, immediate family members of victims and claimants are defined in Article 56.32 of the Code of Criminal Procedure.

**11.11.2 Eligibility Screening.** GRANTEE shall conduct eligibility screening for each individual seeking victim-related civil legal services. GRANTEE agrees to use the intake screening form supplied by the OAG. A copy of all intake screening forms shall be maintained by GRANTEE in a central location and shall be made available to the OAG or any party the OAG determines should have access to the documents at any reasonable time.

**11.11.3 No Cases Resulting in Fees.** OVAG funds to organizations to provide legal services to the victims of crime, immediate family members or claimants in civil matters may not be used for any case or matter that, if undertaken on behalf of an indigent person by an attorney in private practice, might reasonably be expected to result in payment of a fee for legal services from an award to a client from public funds, or from the opposing party.

The above provisions of shall not be applicable in any case where the organization receiving funds granted by the Foundation determines in good faith that the indigent person seeking legal assistance has made reasonable efforts to obtain the services of an attorney in private practice for the particular matter (including contacting attorneys in private practice in the county of residence of the indigent person who normally accept cases of a similar nature), and has been unable to obtain such services because the potential fee is inadequate, is likely to be uncollectible, would substantially consume any recovery by the client, or because of any other reason which the organization, acting in good faith, believes prevents the client from obtaining the services of a private attorney.

**11.11.4 Other Restrictions.** OVAG funds shall not be used to directly fund class action suits, lawsuits against governmental entities, or lobbying for or against any candidate or issue.

OVAG funds may be used to support a lawsuit brought by an individual, solely on behalf of the individual or the individual's dependent or ward, to compel a governmental entity to provide benefits that the individual or the individual's dependent or ward is expressly eligible to receive, by statute or regulation, including social security benefits, temporary assistance to needy families, financial assistance under Chapter 31, Human Resources Code, food stamps, special education for persons with disabilities, Medicare, Medicaid, subsidized or public housing, and other economic, shelter or medical benefits provided by a government directly to an indigent individual, but not to support a claim for actual or punitive damages.

**11.11.5 Cooperation and Collaboration.** GRANTEE will cooperate and collaborate in their service areas with (a) all other organizations providing civil legal services to the indigent, (b) the local organized bar, (c) relevant social and human service organizations, (d) relevant governmental agencies, and (e) other organizations that specifically provide victim related services.

**11.11.6 Professional Conduct.** In accepting and pursuing matters for clients, GRANTEE shall adhere to the Texas Disciplinary Rules of Professional Conduct and the Texas Rules of Disciplinary Procedure and any other code or rules of professional responsibility adopted by this state for attorneys and should exercise reasonable prudent judgment and consider all relevant factors, including the legal merits and the economic and practical value of the matter.

**11.11.7 Retainer Agreements and Private Referrals.** Except for matters involving limited advice and brief services (e.g. clinics, hotlines, and similar services), each grantee shall execute a written retainer agreement, or letter of engagement, containing appropriate provisions for withdrawal of representation, with each client who receives legal services from the grantee. For cases that are referred by grantees to private attorneys, the grantee shall make available to the accepting attorney a standard form retainer agreement which may be modified based on agreement between the attorney and client.

The OAG, at its sole discretion, may further limit, authorize or define the scope of permitted legal services by GRANTEE.

## **SECTION 12 CONSTRUCTION OF CONTRACT AND AMENDMENTS**

**12.1 Construction of Contract.** The provisions of Section 1 are intended to be a general introduction to this contract. To the extent the terms and conditions of this contract do not address a particular circumstance or are otherwise unclear or ambiguous, such terms and conditions are to be construed consistent with the general objectives, expectations and purposes of this contract.

**12.2 Entire Agreement, including All Exhibits.** This contract, including all exhibits reflect the entire agreement between the Parties with respect to the subject matter therein described, and there are no other representations (verbal or written), directives, guidance, assistance, understandings or agreements between the Parties relative to such subject matter. By executing this contract, GRANTEE agrees to strictly comply with the requirements and obligations of this contract, including all exhibits.

**12.3 Amendment.** This contract shall not be modified or amended except in writing, signed by both parties. Any properly executed amendment of this contract shall be binding upon the Parties and presumed to be supported by adequate consideration.

**12.4 Partial Invalidity.** If any term or provision of this contract is found to be illegal or unenforceable, such construction shall not affect the legality or validity of any of its other provisions. The illegal or invalid provision shall be deemed severable and stricken from the contract as if it had never been incorporated herein, but all other provisions shall continue in full force and effect.

**12.5 Non-waiver.** The failure of any Party to insist upon strict performance of any of the terms or conditions herein, irrespective of the length of time of such failure, shall not be a waiver of that

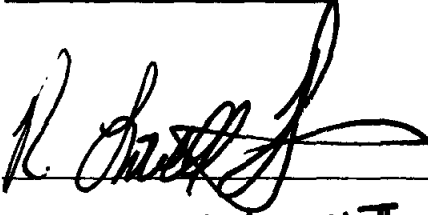
party's right to demand strict compliance in the future. No consent or waiver, express or implied, to or of any breach or default in the performance of any obligation under this contract shall constitute a consent or waiver to or of any breach or default in the performance of the same or any other obligation of this contract.

**12.6 Official Capacity.** The Parties stipulate and agree that the signatories hereto are signing, executing and performing this contract only in their official capacity.

**OFFICE OF THE ATTORNEY  
GENERAL**

**NAVARRO COUNTY DISTRICT  
ATTORNEY'S OFFICE**

\_\_\_\_\_  
Printed Name: \_\_\_\_\_  
Office of the Attorney General  
Date: \_\_\_\_\_

  
\_\_\_\_\_  
Printed Name: R. Lowell Thompson  
Authorized Official  
Date: 7/28/09

*original signed by  
Judge Dave Post.*

**EXHIBIT A**

**GRANT CONTRACT BETWEEN THE OFFICE OF THE ATTORNEY GENERAL  
AND NAVARRO COUNTY DISTRICT ATTORNEY'S OFFICE FOR THE STATE  
FISCAL YEARS 2010 AND 2011**

**OAG Contract No. 1014422**

**Maximum Liability of the OAG for Each Fiscal Year.** The OAG and GRANTEE stipulate and agree that the total liability of the OAG to GRANTEE directly or indirectly arising out of this contract and in consideration of full, satisfactory and timely performance of all its duties, responsibilities, obligations, liability, and for reimbursement of all expenses, if any, as set forth in this contract or arising out of any performance herein, shall not exceed the following:

For State Fiscal Year 2010 (September 1, 2009 to August 31, 2010), the total amount of this contract shall not exceed **Thirty-Seven Thousand Two Hundred Forty-One And 00/100 (\$37,241) DOLLARS.**

For State Fiscal Year 2011 (September 1, 2010 to August 31, 2011), the total amount of this contract shall not exceed **Thirty-Seven Thousand Two Hundred Forty-One And 00/100 (\$37,241) DOLLARS.**

**State Fiscal Years 2010 and 2011 Budget.** Subject to the limitations within this contract, for State Fiscal Year 2010 (September 1, 2009 to August 31, 2010) and State Fiscal Year 2011 (September 1, 2010 to August 31, 2011) the OAG will reimburse GRANTEE for actual allowable and allocable costs paid according to the following amounts and budget categories:

<b>Budget Category</b>	<b>FY 2010</b>	<b>FY 2011</b>
Personnel	\$28,817	\$28,817
Fringe Benefits	\$8,424	\$8,424
Professional & Consultant Services	\$0	\$0
Travel	\$0	\$0
Equipment	\$0	\$0
Supplies	\$0	\$0
Other Direct Operating Expenses	\$0	\$0
<b>Total</b>	<b>\$37,241</b>	<b>\$37,241</b>

Exhibit A contains the initial budget for this contract. In addition to other reasons, prior written approval from the OAG is required if GRANTEE anticipates altering the scope of the grant, adding funds to previously un-awarded budget categories, changing funds in any awarded budget category by more than 10% of the annual budget and/or adding new line items to any awarded budget category.

Any change to the maximum liability of the OAG must be supported by a written amendment to this contract. The Parties stipulate and agree that any act, action or representation by either party, their agents or employees that purports to increase the maximum liability of the OAG is void, without first executing a written amendment to this contract and specifically amending this provision. The Parties acknowledge and agree that nothing in this contract will be interpreted to create an obligation or liability in excess of the funds currently stated in this contract.

The Parties stipulate and agree that funding for this contract is subject to the actual receipt of state or federal funding appropriated by the Texas Legislature for this purpose and such funds are sufficient to satisfy all of OAG's duties, responsibilities, obligations, liability, and for reimbursement of all expenses, if any, as set forth in this contract or arising out of any performance pursuant to this contract. The Parties further stipulate and agree that the grant funds, if any, received from the OAG are limited by the term of each state biennium and by specific appropriation authority to the OAG for the purpose of this contract.

**EXHIBIT B**

**GRANT CONTRACT BETWEEN THE OFFICE OF THE ATTORNEY GENERAL  
AND NAVARRO COUNTY DISTRICT ATTORNEY'S OFFICE FOR THE STATE  
FISCAL YEARS 2010 AND 2011**

OAG Contract No. 1014422

**GRANT NARRATIVE**

The following narrative provided by GRANTEE in its FY2010-2011 grant application applies to this contract:

- The Victim Assistance Coordinator (VAC) will establish relationships with all of the law enforcement agencies of Navarro County to ensure that offense reports of crimes that include civilian victims are forwarded to the District Attorneys office as they are completed.
  - The VAC will review the offense reports and contact the victims to assess their needs. Where financial restitution is the only concern the VAC will forward the appropriate paperwork to them. In cases where the victim has suffered physical injury or been harmed some other way the VAC, upon consultation with an ADA will schedule in office visits. The VAC will gather all necessary medical reports, 911 recordings and photograhic evidence. If necessary the VAC will take photographs if injuries during the intial meeting.
  - The VAC will complete the initail Protective Order screening and, if a Protective Order is deemed necessary the VAC will accompany the individual to Court and refer them to appropriate shelter if needed.
  - The VAC's work will be reviewed by an ADA and feedback will be given with an eye towards the prosecution of the alleged perpetrator.
  - Records will be kept of the amount of contact that are made; the types of crimes perpetrated; the needs of the victims; ideas for improvement.
- During the first year the focus of the VAC's work will be assisting with restitution and with building a system to handle victims of domestic and family violence.

**EXHIBIT C**

**GRANT CONTRACT BETWEEN THE OFFICE OF THE ATTORNEY GENERAL  
AND NAVARRO COUNTY DISTRICT ATTORNEY'S OFFICE FOR THE STATE  
FISCAL YEARS 2010 AND 2011**

OAG Contract No. 1014422

**SPECIAL CONDITIONS**

Special Conditions are imposed by the OAG, at its sole discretion. In addition to the ones identified in this exhibit to this contract, the OAG may, at its sole discretion, impose additional special conditions, with or without notice, without amending this contract.

The OAG is placing GRANTEE on immediate financial hold, without further notice, until all Special Conditions, if any, listed in this Exhibit are met.

The following Special Conditions apply to this contract:

- Provide the most recent Annual Independent Financial Audit or Single Audit within 30 days.
- Submit targets for required Outputs that are blank on Tab D.



**2010 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

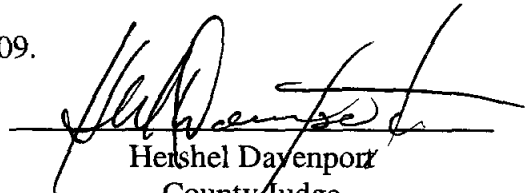
WHEREAS, this grant program will assist the county in the implementation of the provisions of the Fair Defense Act and the improvement of the indigent criminal defense services in this county; and

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 14<sup>th</sup> day of September, 2009.

  
Hershel Davenport  
County Judge



Attest:  
  
Cheryl Dowd  
County Clerk

**Internet Submission Form**

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

\_\_\_\_\_  
Hershel Davenport  
County Judge

CELLULAR PHONE ALLOWANCE AUTHORIZATION

NAME: JAMES OLSEN

DEPARTMENT: ROAD AND BRIDGE PCT 4

JOB TITLE: County Commissioner

JUSTIFICATION FOR ALLOWANCE:

Communication with Foreman/Mechanics  
Operators is Essential

DATE APPROVED/DECLINED IN COURT: \_\_\_\_\_

EFFECTIVE DATE: 10/1/09

AMOUNT: \$50.00/mo.

ADD

REMOVE

CHANGE

**By signing this form, the employee understands that they will be required to provide proof of billing for cellular telephone service in their name on a periodic basis, as deemed necessary by Navarro County.**

SIGNATURES:

EMPLOYEE: \_\_\_\_\_ DATE: \_\_\_\_\_

DEPARTMENT HEAD: J. Muller DATE: 9-9-09

CELLULAR PHONE ALLOWANCE AUTHORIZATION

NAME: Gene Montgomery

DEPARTMENT: ROAD & BRIDGE PCT. 4

JOB TITLE: FOREMAN

JUSTIFICATION FOR ALLOWANCE:  
COMMUNICATION NEEDED FOR JOB

DATE APPROVED/DECLINED IN COURT: \_\_\_\_\_

EFFECTIVE DATE: 10/1/09

AMOUNT: \$50.00 / mo.

ADD  REMOVE  CHANGE

**By signing this form, the employee understands that they will be required to provide proof of billing for cellular telephone service in their name on a periodic basis, as deemed necessary by Navarro County.**

SIGNATURES:  
EMPLOYEE: [Signature] DATE: \_\_\_\_\_  
DEPARTMENT HEAD: [Signature] DATE: 9-9-09

**CELLULAR PHONE ALLOWANCE AUTHORIZATION**

NAME: Victor Walters

DEPARTMENT: Pat # 3

JOB TITLE: Foreman

JUSTIFICATION FOR ALLOWANCE:  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

DATE APPROVED/DECLINED IN COURT: \_\_\_\_\_

EFFECTIVE DATE: \_\_\_\_\_

AMOUNT: \$50

ADD

REMOVE

CHANGE

**By signing this form, the employee understands that they will be required to provide proof of billing for cellular telephone service in their name on a periodic basis, as deemed necessary by Navarro County.**

SIGNATURES:

EMPLOYEE: *Victor Walters* DATE: \_\_\_\_\_

DEPARTMENT HEAD: *David Blum* DATE: *8-31-09*

CELLULAR PHONE ALLOWANCE AUTHORIZATION

NAME: VICKI FOSTER

DEPARTMENT: D.A.

JOB TITLE: ASST. C.D.A.

JUSTIFICATION FOR ALLOWANCE:  
I often get calls from law enforcement or C.A.C. after hours + on weekends

DATE APPROVED/DECLINED IN COURT: \_\_\_\_\_

EFFECTIVE DATE: \_\_\_\_\_

AMOUNT: \$50

ADD  REMOVE  CHANGE

**By signing this form, the employee understands that they will be required to provide proof of billing for cellular telephone service in their name on a periodic basis, as deemed necessary by Navarro County.**

SIGNATURES:  
EMPLOYEE: [Signature] DATE: 7/8/09  
DEPARTMENT HEAD: [Signature] DATE: 9/1/09

CELLULAR PHONE ALLOWANCE AUTHORIZATION

NAME: John Westbrook

DEPARTMENT: Dist. Atty.

JOB TITLE: Asst. Dist. Atty

JUSTIFICATION FOR ALLOWANCE:  
Use of cell phone for business  
purposes when away from my office

DATE APPROVED/DECLINED IN COURT: \_\_\_\_\_

EFFECTIVE DATE: \_\_\_\_\_

AMOUNT: \$50

ADD

REMOVE

CHANGE

**By signing this form, the employee understands that they will be required to provide proof of billing for cellular telephone service in their name on a periodic basis, as deemed necessary by Navarro County.**

SIGNATURES:  
EMPLOYEE: [Signature] DATE: 7-10-09  
DEPARTMENT HEAD: [Signature] DATE: 9/1/09

CELLULAR PHONE ALLOWANCE AUTHORIZATION

NAME: William G. Thompson

DEPARTMENT: Criminal District Attorney

JOB TITLE: Assistant Criminal District Attorney

JUSTIFICATION FOR ALLOWANCE:

Assistant P.A. on call 24 hours a day to take calls from officers on work days and weekends.

DATE APPROVED/DECLINED IN COURT: \_\_\_\_\_

EFFECTIVE DATE: \$150

AMOUNT: \_\_\_\_\_

ADD  REMOVE  CHANGE

By signing this form, the employee understands that they will be required to provide proof of billing for cellular telephone service in their name on a periodic basis, as deemed necessary by Navarro County.

SIGNATURES:  
EMPLOYEE: [Signature] DATE: 9/2/09

DEPARTMENT HEAD: [Signature] DATE: 9/1/09

CELLULAR PHONE ALLOWANCE AUTHORIZATION

NAME: Amy Cadwell

DEPARTMENT: D.A.'s office

JOB TITLE: Assistant D.A.

JUSTIFICATION FOR ALLOWANCE: Assistants are on call 24 hours a day to take calls from officers with questions and supervisors.

DATE APPROVED/DECLINED IN COURT:

EFFECTIVE DATE:

AMOUNT: \$50

ADD [checked] REMOVE [ ] CHANGE [ ]

By signing this form, the employee understands that they will be required to provide proof of billing for cellular telephone service in their name on a periodic basis, as deemed necessary by Navarro County.

SIGNATURES: EMPLOYEE: [Signature] DATE: 9/2/09 DEPARTMENT HEAD: [Signature] DATE: 9/1/09



### CELLULAR PHONE ALLOWANCE AUTHORIZATION

NAME: RANDALL MILLER

DEPARTMENT: D.A.'s office

JOB TITLE: Assistant D.A.

JUSTIFICATION FOR ALLOWANCE:  
Assistants are on call 24 hours a day to take calls from officers with questions and from supervisors.

DATE APPROVED/DECLINED IN COURT: \_\_\_\_\_

EFFECTIVE DATE: \_\_\_\_\_

AMOUNT: \$ 50

ADD  REMOVE  CHANGE

**By signing this form, the employee understands that they will be required to provide proof of billing for cellular telephone service in their name on a periodic basis, as deemed necessary by Navarro County.**

SIGNATURES:  
EMPLOYEE: [Signature] DATE: 9/1/09  
DEPARTMENT HEAD: [Signature] DATE: 9/1/09

CELLULAR PHONE ALLOWANCE AUTHORIZATION

NAME: Jerry Putman

DEPARTMENT: District Attorney's Office

JOB TITLE: Investigator

JUSTIFICATION FOR ALLOWANCE:

The D.A. Investigator is on call 24 hours a day 7 days a week to take calls from officers or prosecutors. He also must attempt to serve warrants on weekends & after hours.

DATE APPROVED/DECLINED IN COURT: \_\_\_\_\_

EFFECTIVE DATE: \_\_\_\_\_

AMOUNT: \$50

ADD  REMOVE  CHANGE

By signing this form, the employee understands that they will be required to provide proof of billing for cellular telephone service in their name on a periodic basis, as deemed necessary by Navarro County.

SIGNATURES:

EMPLOYEE: Jerry Putman DATE: 07-08-2009

DEPARTMENT HEAD: [Signature] DATE: 9/1/09