

NAVARRO COUNTY COMMISSIONER'S COURT

A SPECIAL MEETING OF THE NAVARRO COUNTY COMMISSIONER'S COURT WAS HELD ON MONDAY THE, 24TH DAY OF MAY, 2010 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. 10:00 A.M. MOTION TO CONVENE BY HERRINGTON SEC BY WARREN  
ALL VOTED AYE MOTION CARRIED
2. OPENING PRAYER BY JUDGE DAVENPORT
3. PLEDGE OF ALLEGIANCE
4. PUBLIC COMMENTS-DENNIS COOPER-KEEP HIM INFORMED ABOUT  
FENCING THE PAKING LOT

**CONSENT AGENDA**

MOTION TO APPROVE CONSENT AGENDA ITEMS 5 & 6 BY HERRINGTON SEC  
BY OLSEN  
ALL VOTED AYE MOTION CARRIED

5. APPROVE THE MINUTES FROM THE PREVIOUS MEETING OF MAY  
10TH, 2010, AND MEETING OF MAY 14TH, 2010
6. APPROVE AND PAY BILLS AS SUBMITTED BY COUNTY AUDITOR

**REGULAR AGENDA**

7. MOTION TO APPROVE COMBINED ANNUAL FINANCIAL REPORT FOR  
THE FISCAL YEAR ENDING SEPTEMBER 30, 2009 BY HERRINGTON SEC  
BY OLSEN **TO WIT PG 910-913**  
ALL VOTED AYE MOTION CARRIED
8. MOTION TO APPROVE DECLARING A 1995 FORD ARMORED CAR AS  
SALVAGE, TO BE SOLD FOR SCRAP METAL BY HOLT SEC BY  
HERRINGTON  
ALL VOTED AYE MOTION CARRIED
9. MOTION TO APPROVE RESOLUTION CONCERNING NORTH TEXAS  
BEHAVIORAL AUTHORITY BY HERRINGTON SEC BY OLSEN

ALL VOTED AYE MOTION CARRIED **TO WIT PG 914**

10. MOTION TO APPROVE APPOINTING PAM CRAWFORD TO THE NAVARRO COUNTY CHILD WELFARE BOARD BY HERRINGTON SEC BY WARREN

ALL VOTED AYE MOTION CARRIED

11. MOTION TO APPROVE REQUEST FOR FUNDS FROM THE STATE OF TEXAS FOR REPAIRS ON 2 FLOOD CONTROL STRUCTURES BY HERRINGTON SEC BY WARREN **TO WIT PG 915-925**

ALL VOTED AYE MOTION CARRIED

12. MOTION TO APPROVE CONSOLIDATING POLLING PLACES FOR THE JUNE 22<sup>ND</sup>, 2010 SPECIAL ELECTION BY HERRINGTON SEC BY HOLT

ALL VOTED AYE MOTION CARRIED **TO WIT PG 926**

13. MOTION TO APPROVE AMENDING THE RESOLUTIONS WITH TEX POOL INVESTMENT SERVICES AND TEXSTAR INVESTMENT SERVICES. THE AMENDMENT WILL BE THE REMOVAL OF ONE DESIGNATED AUTHORIZED REPRESENTATIVE (TIM EASLEY) BY OLSEN SEC BY WARREN

ALL VOTED AYE MOTION CARRIED **TO WIT PG 927-930**

14. MOTION TO APPROVE AMENDING THE AUTHORIZED SIGNATURES FOR PROSPERITY BANK. THE AMENDMENT WILL BE THE REMOVAL OF ONE DESIGNATED AUTHORIZED REPRESENTATIVE (TIM EASLEY)BY HOLT SEC BY HERRINGTON **TO WIT 931-932**

ALL VOTED AYE MOTION CARRIED

15. MOTION TO APPROVE COUNTY TREASURER'S REPORT FOR THE MONTH OF APRIL, 2010 BY OLSEN SEC BY WARREN

ALL VOTED AYE MOTION CARRIED **TO WIT PG 933**

16. MOTION TO APPROVE COUNTY AUDITOR'S APRIL 2010 MONTHLY FINANCIAL REPORT, PURSUANT TO LGC SEC. 114.024 BY HERRINGTON SEC BY OLSEN **TO WIT PG 934-936**

ALL VOTED AYE MOTION CARRIED

17. MOTION TO APPROVE LEASE FINANCING FOR A BACKHOE FOR PRECINCT 2 BY HOLT SEC BY HERRINGTON **TO WIT PG 937-953**

ALL VOTE AYE MOTION CARRIED

18. MOTION TO APPROVE AUTHORIZING COUNTY AUDITOR TO PURCHASE 15 POLL BOOKS, 15 LAPTOPS AND A SERVER WITH

NEWLY AWARDED HELP AMERICA VOTE ACT (HAVA) FUNDS  
THROUGH THE STATE PURCHASING PROGRAM BY OLSEN SEC BY  
HOLT  
ALL VOTED AYE MOTION CARRIED

19. MOTION TO GO INTO EXECUTIVE SESSION PURSUANT TO THE TEXAS  
GOVERNMENT CODE SECTION 551.071 TO DISCUSS  
PENDING/ANTICIPATED LITIGATION BY HOLT SEC BY HERRINGTON  
ALL VOTED AYE MOTION CARRIED

MOTION TO COME OUT OF EXECUTIVE SESSION BY HERRINGTON  
SEC BY OLSEN  
ALL VOTED AYE MOTION CARRIED

20. MOTION TO APPROVE ACTION TAKEN ON THE EXECUTIVE SESSION  
TEXAS GOVERNMENT CODE SECTION 551.071 TO DISUCSS  
PENDING/ANTICIPATED LITIGATION TO PAY GUESSTIMATED  
(\$4704.30) PRICE BY HERRINGTON SEC BY HOLT  
ALL VOTED AYE MOTION CARRIED

21. MOTION TO ADJOURN BY HOLT SEC BY WARREN  
ALL VOTED AYE MOTION CARRIED

I, SHERRY DOWD, NAVARRO COUNTY CLERK, ATTEST THAT THE  
FOREGOING IS A TRUE AND ACCURATE ACCOUNTING OF THE  
COMMISSIONERS COURT'S AUTHORIZED PROCEEDING FOR  
MAY 24, 2010.

SIGNED 24 DAY OF MAY, 2010.

  
SHERRY DOWD, COUNTY CLERK





PATTILLO, BROWN & HILL, L.L.P.  
CERTIFIED PUBLIC ACCOUNTANTS ■ BUSINESS CONSULTANTS

**FILED FOR RECORD**  
AT 10:00 O'CLOCK A M.

MAY 24 2010

SHERRY DOWD  
COUNTY CLERK NAVARRO COUNTY, TEXAS  
BY [Signature] DEPUT

To the Honorable County Judge  
and Commissioners' Court of  
Navarro County, Texas

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Navarro County, Texas for the year ended September 30, 2009, and have issued our report thereon dated April 9, 2010. Professional standards require that we provide you with the following information related to our audit.

**Our Responsibilities under U. S. Generally Accepted Auditing Standards and OMB Circular A-133**

As stated in our engagement letter dated November 24, 2009, our responsibility, as described by professional standards, is to express opinions about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with U. S. generally accepted accounting principles. Our audit of the financial statements does not relieve you or management of your responsibilities.

In planning and performing our audit, we considered the County's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinions on the financial statements and not to provide assurance on the internal control over financial reporting. We also considered internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

As part of obtaining reasonable assurance about whether the County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit. Also in accordance with OMB Circular A-133, we examined, on a test basis, evidence about the County's compliance with the types of compliance requirements described in the "U. S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement" applicable to each of its major federal programs for the purpose of expressing an opinion on the County's compliance with those requirements. While our audit provides a reasonable basis for our opinion, it does not provide a legal determination on the County's compliance with those requirements.

- 1) Our responsibility is to plan and perform the audit to obtain reasonable, but not absolute, assurance that the financial statements are free of material misstatement.
- 2) As part of our audit, we considered the internal control of the County. Such considerations were solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.
- 3) We are responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures specifically to identify such matter.

### **Other Information in Documents Containing Audited Financial Statements**

Our responsibility for other information in documents containing the entity's financial statements and report does not extend beyond the financial information identified in the report. We do not have an obligation to perform any procedures to corroborate other information contained in these documents; however, we have read the Comprehensive Annual Financial Report and nothing came to our attention that causes us to believe that such information, or its manner of presentation, is materially inconsistent with the information or manner of its presentation, appearing in the financial statements.

### **Significant Audit Findings**

#### ***Qualitative Aspects of Accounting Practices***

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the County are described in Note 1 to the financial statements. As described in Note III to the financial statements, the County changed accounting policies related to other postemployment benefits (OPEB) by adopting Statement of Governmental Accounting Standards (GASB Statement) No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, in 2009. This statement establishes new standards for the measurement of OPEB expense and related liabilities, note disclosures and required supplementary information (RSI) in the County's financial statements. As a result, the County now:

- Recognizes the cost of OPEB in periods when the related services are provided by employees.
- Provides information about the actuarial accrued liabilities for promised benefits associated with past services and whether and to what extent those benefits have been funded.
- Provides information useful in assessing potential demands on the County's future cash flows.

We noted no transactions entered into by the County during the year for which there is a lack of authoritative guidance or consensus. There are no significant transactions that have been recognized in the financial statements in a different period than when the transaction occurred.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the financial statements include management's estimate of:

- Uncollectible accounts receivable
- Accumulated depreciation on capital assets
- Health claims payable
- Annual OPEB cost and net OPEB obligation.

We evaluated the key factors and assumptions used to develop these estimates in determining that they are reasonable in relation to the financial statements taken as a whole.

#### ***Difficulties Encountered in Performing the Audit***

We encountered no significant difficulties in dealing with management in performing and completing our audit.

#### ***Corrected and Uncorrected Misstatements***

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to the financial statements taken as a whole.

#### ***Disagreements with Management***

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

#### ***Management Representations***

We have requested certain representations from management that are included in the management representation letter dated April 9, 2010.

#### ***Management Consultations with Other Independent Accountants***

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the governmental unit's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

***Other Audit Findings or Issues***

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the governmental unit's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

In addition, we noted other matters involving the internal control and its operation that we have reported in the *Government Auditing Standards* report dated April 9, 2010.

This information is intended solely for the use of Commissioners' Court and management of the County and is not intended to be and should not be used by anyone other than these specified parties.

*Faville, Brown & Hill, CP*

April 9, 2010

47  
914  
Alex Smith  
5-24-10

**RESOLUTION  
OF THE  
NAVARRO COUNTY  
COMMISSIONER'S COURT**

On the 26<sup>th</sup> day of April, 2010, the Navarro County Commissioner's Court (the "Court") considered and adopted the following resolution:

**WHEREAS**, the North Texas Behavioral Health Authority (the "Authority") is the designated local mental health authority for the NorthSTAR Service Area; and,

**WHEREAS**, the Authority is vested by law with the authority and responsibility within the NorthSTAR Service Area for planning, policy development, coordination, and resource development and allocation and for supervising and ensuring the provision of mental health services to persons with mental illness: and,

**WHEREAS**, the provision of mental health services in the NorthSTAR Service Area, which includes NAVARRO County, to the indigent is through the NorthSTAR program, and consequently, through a behavioral health organization (a "BHO") that contracts with the Texas Department of State Health Services (the "TDSHS"), with limited oversight by the Authority; and,

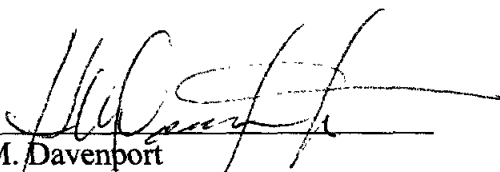
**WHEREAS**, based on current information the Authority and the Texas Commissioner of Health and Human Services agree that the Authority could better effect its legal authority and responsibility by directly contracting with any NorthSTAR BHOs, and that such an arrangement would better serve individuals covered by the NorthSTAR program.

**NOW, THEREFORE**, having considered the above information, it is

**RESOLVED** that it would be in the best interest of individuals covered by the NorthSTAR program in NAVARRO County if the Authority contracted directly with NorthSTAR's BHOs; and, it is

**RESOLVED FURTHER** that the Court supports the efforts of the Authority to develop a plan, in conjunction with all federal, state and local stakeholders, to transfer contracting authority with NorthSTAR's BHOs from the TDSHS to the Authority; and, it is

**RESOLVED FURTHER** that the Court supports the efforts of the Authority to accept contractual responsibility over the NorthSTAR's BHOs on or before September 1, 2011.

  
H.M. Davenport  
Navarro County Judge



#11

Orig. Signed 5-24-10  
915

<p align="center"><b>TEXAS STATE SOIL AND WATER CONSERVATION BOARD</b>  <b>Flood Control Structural Repair Grant Program</b></p> <p align="center"><b>APPLICATION FOR STRUCTURAL REPAIRS</b></p> <p>Use this application to request financial assistance for conducting structural repairs on flood control dams as defined by Texas Administrative Code, Title 31, Chapter 529, Subchapter B. <u>Do not use</u> this form to request grant funds to provide a portion of the matching funds required for a federal rehabilitation project or federal Emergency Watershed Protection Program project being performed by the USDA-Natural Resources Conservation Service. Funds for matching rehabilitation projects may be requested by submitting Form Number TSSWCB-FC-2; funds for matching Emergency Watershed Protection Program projects may be requested by submitting Form Number TSSWCB-FC-3.</p> <p align="center"><b>ADMINISTRATIVE FORM</b></p> <p>One Administrative Form must be completed for each application. An individual Technical Form [Form Number TSSWCB-FC-1B] must be completed for each flood control dam for which repair grant funds are requested. The combination of an Administrative Form, all associated Technical Forms, and all other required documentation constitutes a complete application.</p>	<p align="center"><b>FORM NUMBER: TSSWCB-FC-1A</b>  <b>Effective Date: May 4, 2010</b></p> <table border="0" style="width:100%;"> <tr> <td style="width:50%; vertical-align: top;"> <p><b>Submit completed applications to:</b>  TSSWCB  Attention: Flood Control  P.O. Box 658  Temple TX 76503</p> </td> <td style="width:50%; vertical-align: top;"> <p><b>For assistance in completing this application, contact:</b>  TSSWCB Flood Control Department  (254) 773-2250  <a href="http://www.tsswcb.state.tx.us/floodcontrol">www.tsswcb.state.tx.us/floodcontrol</a></p> </td> </tr> </table> <p align="center"><u>THIS SPACE FOR TSSWCB USE ONLY</u></p>	<p><b>Submit completed applications to:</b>  TSSWCB  Attention: Flood Control  P.O. Box 658  Temple TX 76503</p>	<p><b>For assistance in completing this application, contact:</b>  TSSWCB Flood Control Department  (254) 773-2250  <a href="http://www.tsswcb.state.tx.us/floodcontrol">www.tsswcb.state.tx.us/floodcontrol</a></p>
<p><b>Submit completed applications to:</b>  TSSWCB  Attention: Flood Control  P.O. Box 658  Temple TX 76503</p>	<p><b>For assistance in completing this application, contact:</b>  TSSWCB Flood Control Department  (254) 773-2250  <a href="http://www.tsswcb.state.tx.us/floodcontrol">www.tsswcb.state.tx.us/floodcontrol</a></p>		

**Soil and Water Conservation District (SWCD) information:**

Provide the following information for the Soil and Water Conservation District (SWCD) that is a sponsor of the flood control dam or dams that are specified on Technical Forms submitted with this Administrative Form. To request grant funds for dams where another SWCD is a sponsor, complete another Administrative Form and submit it with the appropriate Technical Forms as a separate application.

SWCD Name:	Navarro Soil and Water Conservation District # 514		
SWCD Number:	# 514	SWCD City:	Corsicana
Chairman First Name:	Conrad	SWCD Zip Code:	75110
Chairman Last Name:	Newton III	SWCD Phone Number:	903-874-5131
SWCD Address:	4323 West Highway 22	SWCD Fax Number:	903-872-1130
SWCD Office/Suite Number:		SWCD Email Address:	navarrowswcd@tx.nacdnet.org

**Authorized Representative information:**

Provide the following information for the individual that the SWCD and other sponsors have mutually agreed should be the point of contact for all inquiries the Texas State Soil and Water Conservation Board (TSSWCB) may have regarding this application. The authorized representative must be an individual affiliated with one of the sponsors.

First Name:	Bobby	Last Name:	Wilson
Organization:	Navarro Soil and Water Conservation District # 514		
Address:	4323 West Highway 22	Zip Code:	75110
Office/Suite Number:		Phone Number:	903-874-5131
City:	Corsicana	Fax Number:	903-872-1130
State:	Texas	Email Address:	navarrowswcd@tx.nacdnet.org

Provide the following information for the additional sponsors of flood control dams for which Technical Forms have been submitted (with this Administrative Form). Space for up to four additional sponsors has been provided below. All sponsors of each flood control dam must be listed below.

**Non-SWCD Sponsor #1 information:**

Entity Name:	Navarro County Commissioners Court	State:	Texas
Contact Person:	Judge H. M. Davenport	Zip Code:	75110
Address:	300 West 3rd.	Phone Number:	903-654-3030
Office/Suite Number:	14	Fax Number:	903-874-6053
City:	Corsicana	Email Address:	jforguson@navarrocounty.org

**Non-SWCD Sponsor #2 information:**

Entity Name:		State:	
Contact Person:		Zip Code:	
Address:		Phone Number:	
Office/Suite Number:		Fax Number:	
City:		Email Address:	

**Non-SWCD Sponsor #3 information:**

Entity Name:		State:	
Contact Person:		Zip Code:	
Address:		Phone Number:	
Office/Suite Number:		Fax Number:	
City:		Email Address:	

**Non-SWCD Sponsor #4 information:**

Entity Name:		State:	
Contact Person:		Zip Code:	
Address:		Phone Number:	
Office/Suite Number:		Fax Number:	
City:		Email Address:	

**Project Description**

Provide a description of the overall project. Include information such as the type of repair(s) needed, the number of flood control dams involved, and the length of time the repair need has been known to the local sponsors. Use this space to narratively provide any additional information the TSSWCB may find useful when considering the importance of this project.

We need to repair slides on the water side of the dam on site Richland 137G. The District repaired slides at the same location two years ago but it did not hold. We used compacted soil with no lime. We plan to use lime treated soil with this repair to the front side of the dam. the dam is located North of FM 744 on county road 2060.

We need to repair a slide above the pipe on site 115 Richland Creek. A slide was repaired in the same location about ten years ago. Lime was not used, only compacted soil. This slide occurred late 2009. We plan to use lime treated soil with this repair to the backside of the dam. The dam is located about 100 yards from FM 709. We have had several calls from thr public about this slide.

**Project Schedule:**

Use this space to describe the anticipated length of time, schedule of events, and target completion date for all work to be completed through structural repair grant funds. Fiscal Year 2010 grant funds obligated prior to August 31, 2010 must be dispersed prior to August 31, 2012 (without exception).

We plan to bid the projects as soon as the design is completed. We anticipate project to be completed by March 1, 2011.

**Contracting Preferences / Organization of Partners:**

Use this space to describe the preferable organization of contracting between the TSSWCB and local sponsors. Specify preferences for which local sponsors should enter into contracts with the TSSWCB for activities such as construction, land rights acquisition, or other allowable activities. The TSSWCB has designed this program to allow for significant flexibility for contracting with different types of local sponsors so that the most appropriate and efficient mechanisms are available for grant funds obligation.

If these projects are selected, the Navarro S W C D will serve as the primary contractor to TSSWCB. Navarro S W C D will subcontract the design work with a engineering consultant, as well as the construction work with a dirt contractor. the Navarro S W C D will then submit invoices to TSSWCB for reimbursement .

**Grant Funds Requested for Design and Construction:**

Use this table to summarize the total engineering design and construction costs for all repair activities specified on each Technical Form submitted with this Administrative Form. List in order of highest local priority to lowest local priority (for cases where available funding is not sufficient to complete all repairs on all dams).

NID ID Number	Design Cost Estimate	Construction Cost Estimate	Total Estimated Cost Per Dam
1 TX02582	\$ 11,250	\$ 390,000	\$ 401,250
2 TX02651	\$ 11,250	\$ 300,000	\$ 311,250
3	\$	\$	\$
4	\$	\$	\$
5	\$	\$	\$
6	\$	\$	\$
7	\$	\$	\$
8	\$	\$	\$
9	\$	\$	\$
10	\$	\$	\$
11	\$	\$	\$
12	\$	\$	\$
13	\$	\$	\$
14	\$	\$	\$
15	\$	\$	\$
16	\$	\$	\$
17	\$	\$	\$
18	\$	\$	\$
19	\$	\$	\$
20	\$	\$	\$

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Total Design Cost Estimate	Total Construction Cost Estimate	Grand Total
\$ 22,500	\$ 690,000	\$ 712,500

**Anticipated Costs for Purchasing Easements and Land Rights:**

Is it anticipated that easements or other land rights will need to be acquired in order to perform the structural repairs identified in this application?

Yes  No

If "yes," characterize the anticipated type, extent, and cost:

Location to stack topsoil.  
Location to mix lime and soil.  
Location for equipment parking.

Associate anticipated costs with specific flood control dams if this application addresses more than one dam.

TOTAL ESTIMATED COST OF PURCHASING EASEMENTS AND LAND RIGHTS  
\$ 0

**Other Costs:**

Are any costs other than those related to engineering design, construction, administration, easements, or land rights acquisition anticipated in order to perform the structural repairs identified in this application?

Yes  No

If "yes," describe the other anticipated costs:

TOTAL ESTIMATED AMOUNT OF OTHER COSTS  
\$ 0

**ESTIMATED GRAND TOTAL FOR PROJECT:** \$ 712,500

**Calculation of Non-State Matching Funds Requirement:**

In accordance with Texas Administrative Code, Title 31, Chapter 529, Subchapter B, 5% of the total cost of the proposed repairs must be provided through funds not appropriated by the Texas Legislature. The amount of match funding required for the repairs in this application is provided below.

Amount of match funding required from non state appropriated sources: \$ 35,625 5%

Amount of State Grant Funds Requested from the TSSWCB: \$ 676,875 95%

Characterize sources of match funding and describe any communications with the sources and their willingness to contribute funds. Obligation of required matching funds will be formalized during contracting.

Five percent matching funds will come from county flood control fund. Funds for the match are currently available.

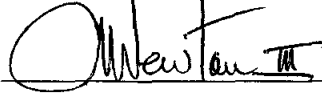
**Grant Funds for Administrative Services under 31 TAC 529:**

In accordance with Texas Administrative Code, Title 31, Chapter 529, Subchapter B, administrative costs in an amount not to exceed 5% of the total costs for design, construction, easement and/or land rights acquisition, or other costs approved by the TSSWCB are allowable. Exact administrative fee amounts and the request process will be negotiated between the TSSWCB and selected applicants at the time of contracting.

**Sponsor Certification Signatures**

31 TAC §529.55 (c) requires that all applications must have certification signatures by authorized individuals from all sponsors identified in the applicable watershed agreement with O&M responsibility for the flood control dam(s) on which repairs are proposed acknowledging and approving the application prior to it being submitted to the State Board for consideration. Certification by signature means the sponsor agrees to cooperate on the project with the other sponsors, may consider entering into a contract with the State Board relating to the project's completion, and is aware that the State Board may not pay more than 95-percent of the total project cost. Where one or more of the sponsors listed on the watershed agreement is no longer formally in existence, the remaining sponsors should contact the State Board prior to submitting an application for additional guidance.

SWCD Signature:

 \_\_\_\_\_  
Signature Date

Conrad                      Newton III

Navarro Soil and Water Conservation District # 514

Non-SWCD Sponsor #1 Signature:

 \_\_\_\_\_ 5-24-10  
Signature Date

Judge H. M. Davenport

Navarro County Commissioners Court

Non-SWCD Sponsor #2 Signature:

\_\_\_\_\_  
Signature Date

\_\_\_\_\_

\_\_\_\_\_

Non-SWCD Sponsor #3 Signature:

\_\_\_\_\_  
Signature Date

\_\_\_\_\_

\_\_\_\_\_

Non-SWCD Sponsor #4 Signature:

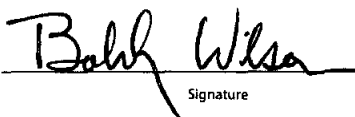
\_\_\_\_\_  
Signature Date

\_\_\_\_\_

\_\_\_\_\_

**Authorized Representative Certification Signature**

31 TAC §529.55 (d) requires that each application must identify one individual as the person that will represent all sponsors identified on the application. The authorized representative shall be the single point of contact for all communications regarding an application.

 \_\_\_\_\_ 5-21-10  
Signature Date

Bobby                      Wilson

Navarro Soil and Water Conservation District # 514

**Application Organization and Attachments:**

A complete application for TSSWCB consideration should be assembled in the following manner.

1. ADMINISTRATIVE FORM (Form Number TSSWCB-FC-1A)
2. ALL APPLICABLE TECHNICAL FORMS (Form Number TSSWCB-FC-1B)
  - 2(a). FLOOD CONTROL DAM BREACH ANALYSES (after each corresponding Technical Form submitted)
  - 2.(b). FLOOD CONTROL DAM SAFETY INSPECTION REPORTS (after each corresponding Technical Form submitted)
  - 2.(c). COLOR PHOTOGRAPHS OF EACH REPAIR NEED (after each corresponding Technical Form submitted)
3. WATERSHED AGREEMENT(S)
4. OPERATION AND MAINTENANCE AGREEMENT(S)
5. ANY ADDITIONAL REPORTS OR INFORMATION (if applicable and available)

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**Submitting an Application:****Submit completed applications with original signatures to:**

TSSWCB  
Attention: Flood Control  
P.O. Box 658  
Temple TX 76503

**Deadline for Submitting an Application:**

**For Fiscal Year 2010 Funds (9/1/2009 - 8/31/2010)**  
8:00 am, Monday, June 7, 2010

**Assistance in Preparing an Application:**

Contact TSSWCB Flood Control Programs  
(254) 773-2250 (ask for Flood Control Staff)

**OR**

**Send Email to:**

lmunz@tsswcb.state.tx.us  
jfoster@tsswcb.state.tx.us  
regg@tsswcb.state.tx.us

(Send email to all persons for quickest response)

922

<b>Flood Control Dam Identification:</b>	
National Inventory of Dams (NID) Identification Number:	TX02582
Flood Control Dam's Common Name:	Richland 137G
Year of Flood Control Dam Completion:	9-14-71
County the Dam is Geographically Located Within:	Navarro
The O&M Sponsor for this Flood Control Dam:	Navarro S W C D # 514
Easements Held By:	Navarro S W C D # 514

**FORM NUMBER: TSSWCB-FC-1B**

Effective Date: May 4, 2010

**TEXAS STATE SOIL AND WATER CONSERVATION BOARD  
Application for Flood Control Structural Repair Grant  
Funds**

**TECHNICAL FORM**

Complete this form for all flood control dams for which grant funds are being requested and attach to a completed Administrative Form [TSSWCB-FC-1A]. Use a separate Technical Form for each individual flood control dam. Information from each Technical Form must be summarized on Page 4 of the Administrative Form. This form is not required to request grant funds to provide a portion of the matching funds required for a federal Rehabilitation Program or federal Emergency Watershed Protection Program project being performed by the USDA-Natural Resources Conservation Service.

<b>Structural Repair Activities Proposed for this Flood Control Dam:</b> <i>(Check all that apply)</i>		<b>Design Estimate</b>	<b>Construction Estimate</b>
<input checked="" type="checkbox"/>	Lime treatment of dam embankment to repair slope slides	\$ 11,250	\$ 390,000
<input type="checkbox"/>	Removal and replacement of dam embankment to repair slope slides	\$	\$
<input type="checkbox"/>	Flattening slope of dam embankment to repair/prevent slope slides	\$	\$
<input type="checkbox"/>	Repair of sinkhole(s) in dam embankment	\$	\$
<input type="checkbox"/>	Repair of cracks in dam embankment	\$	\$
<input type="checkbox"/>	Installation of armored plating to dam embankment to prevent/repair wave erosion	\$	\$
<input type="checkbox"/>	Repair of wave erosion on dam embankment including earth-work and vegetation establishment	\$	\$
<input type="checkbox"/>	Drain system installation or repair	\$	\$
<input type="checkbox"/>	Repair of excessive settlement on dam embankment	\$	\$
<input type="checkbox"/>	Replacement or stabilization of vertical inlet on principal spillway	\$	\$
<input type="checkbox"/>	Installation of a liner to repair pipe separation or cracking on principal spillway	\$	\$
<input type="checkbox"/>	Replacement of principal spillway pipe due to separation or cracking	\$	\$
<input type="checkbox"/>	Installation of impact basin or armored plating on plunge pool due to erosion	\$	\$
<input type="checkbox"/>	Repair of major auxiliary spillway erosion from storm damage	\$	\$
<input type="checkbox"/>	Other Describe	\$	\$

**TOTALS**      \$ 11,250      \$ 390,000

**TOTAL ESTIMATED COST FOR DESIGN AND CONSTRUCTION**      \$ 401,250



Did any of the structural repair activities identified for this flood control dam result from unauthorized modification?

Yes  No

If "yes," explain the circumstances:

Without sponsor or any government approval, previous owner constructed an asphalt road across top of dam. In construction of the road the crest of road was widened from 14' to approximately 21' thereby lowering T O D.

Is the flood control dam currently considered "unsafe" as a result of a formal dam safety inspection?  Yes  No

If "yes," explain and provide the date of the inspection and performing entity and attach a copy of the inspection report to this application.

[Empty box for explanation of unsafe dam]

Are any of the repair needs identified in the application needed as a result of a mandate from the Texas Commission on Environmental Quality?  Yes  No

If "yes," explain in the space provided here and attach any correspondence relating to the mandate to this application. Provide the date by which the repair is mandated to be completed (if applicable).

[Empty box for explanation of repair needs]

Indicate the flood control dam's current hazard classification assigned by the Texas Commission on Environmental Quality:

High Hazard  Significant Hazard  Low Hazard

Indicate the flood control dam's hazard classification when initially designed and constructed:

High Hazard  Significant Hazard  Low Hazard

Has a breach analysis been completed for this flood control dam?

Yes  No

(If "yes," attach a copy)

Has an application been filed with the USDA-Natural Resources Conservation Service to request federal funds to perform a rehabilitation of the flood control dam under the Federal Dam Rehabilitation Program?

Yes  No

(If "yes," attach a copy of the application)

Does the water from the flood control dam's impoundment serve as a drinking water supply?  Yes  No

If "yes," describe who uses the water and provide an estimate of the number of users:

[Empty box for drinking water supply details]

Is the flood control dam's impounded water currently used for recreational purposes?  Yes  No

If "yes," describe the types of recreation and an estimate of the number of users:

[Empty box for recreational purposes details]

Is the flood control dam's impounded water currently used for other purposes?  Yes  No

If "yes," describe the other uses:

Livestock water

**Photographs and Other Documentation of Repair Needs:**

Provide at least four color photographs of each area of the flood control dam illustrating where grant funds are requested to conduct a repair. Photographs should be included behind each Technical Form. Any other additional documentation, including assessments conducted by the USDA-Natural Resources Conservation Service or other useful reports specific to the flood control dam, should be placed behind all Technical Forms in the application.

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**FORM NUMBER: TSSWCB-FC-1B**  
**Effective Date: May 4, 2010**

**TEXAS STATE SOIL AND WATER CONSERVATION BOARD**  
**Application for Flood Control Structural Repair Grant Funds**

**TECHNICAL FORM**

Complete this form for all flood control dams for which grant funds are being requested and attach to a completed Administrative Form [TSSWCB-FC-1A]. Use a separate Technical Form for each individual flood control dam. Information from each Technical Form must be summarized on Page 4 of the Administrative Form. This form is not required to request grant funds to provide a portion of the matching funds required for a federal Rehabilitation Program or federal Emergency Watershed Protection Program project being performed by the USDA-Natural Resources Conservation Service.

<b>Flood Control Dam Identification:</b>	
National Inventory of Dams (NID) Identification Number:	TX02651
Flood Control Dam's Common Name:	Richland 115
Year of Flood Control Dam Completion:	8-3-70
County the Dam is Geographically Located Within:	Navarro
The O&M Sponsor for this Flood Control Dam:	Navarro S W C D # 514
Easements Held By:	Navarro S W C D # 514

<b>Structural Repair Activities Proposed for this Flood Control Dam:</b> <i>(Check all that apply)</i>		<b>Design Estimate</b>	<b>Construction Estimate</b>
<input checked="" type="checkbox"/>	Lime treatment of dam embankment to repair slope slides	\$ 11,250	\$ 300,000
<input type="checkbox"/>	Removal and replacement of dam embankment to repair slope slides	\$	\$
<input type="checkbox"/>	Flattening slope of dam embankment to repair/prevent slope slides	\$	\$
<input type="checkbox"/>	Repair of sinkhole(s) in dam embankment	\$	\$
<input type="checkbox"/>	Repair of cracks in dam embankment	\$	\$
<input type="checkbox"/>	Installation of armored plating to dam embankment to prevent/repair wave erosion	\$	\$
<input type="checkbox"/>	Repair of wave erosion on dam embankment including earth-work and vegetation establishment	\$	\$
<input type="checkbox"/>	Drain system installation or repair	\$	\$
<input type="checkbox"/>	Repair of excessive settlement on dam embankment	\$	\$
<input type="checkbox"/>	Replacement or stabilization of vertical inlet on principal spillway	\$	\$
<input type="checkbox"/>	Installation of a liner to repair pipe separation or cracking on principal spillway	\$	\$
<input type="checkbox"/>	Replacement of principal spillway pipe due to separation or cracking	\$	\$
<input type="checkbox"/>	Installation of impact basin or armored plating on plunge pool due to erosion	\$	\$
<input type="checkbox"/>	Repair of major auxiliary spillway erosion from storm damage	\$	\$
<input type="checkbox"/>	Other Describe	\$	\$

**TOTALS**      \$ 11,250      \$ 300,000

**TOTAL ESTIMATED COST FOR DESIGN AND CONSTRUCTION** \$ 311,250

Did any of the structural repair activities identified for this flood control dam result from unauthorized modification?

Yes  No

If "yes," explain the circumstances:

Is the flood control dam currently considered "unsafe" as a result of a formal dam safety inspection?  Yes  No

If "yes," explain and provide the date of the inspection and performing entity and attach a copy of the inspection report to this application.

Are any of the repair needs identified in the application needed as a result of a mandate from the Texas Commission on Environmental Quality?  Yes  No

If "yes," explain in the space provided here and attach any correspondence relating to the mandate to this application. Provide the date by which the repair is mandated to be completed (if applicable).

Indicate the flood control dam's current hazard classification assigned by the Texas Commission on Environmental Quality:

High Hazard  Significant Hazard  Low Hazard

Indicate the flood control dam's hazard classification when initially designed and constructed:

High Hazard  Significant Hazard  Low Hazard

Has a breach analysis been completed for this flood control dam?

Yes  No

(If "yes," attach a copy)

Has an application been filed with the USDA-Natural Resources Conservation Service to request federal funds to perform a rehabilitation of the flood control dam under the Federal Dam Rehabilitation Program?

Yes  No

(If "yes," attach a copy of the application)

Does the water from the flood control dam's impoundment serve as a drinking water supply?

Yes  No

If "yes," describe who uses the water and provide an estimate of the number of users:

Is the flood control dam's impounded water currently used for recreational purposes?

Yes  No

If "yes," describe the types of recreation and an estimate of the number of users:

Boating, fishing, and swimming. 25

Is the flood control dam's impounded water currently used for other purposes?

Yes  No

If "yes," describe the other uses:

Livestock water

**Photographs and Other Documentation of Repair Needs:**

Provide at least four color photographs of each area of the flood control dam illustrating where grant funds are requested to conduct a repair. Photographs should be included behind each Technical Form. Any other additional documentation, including assessments conducted by the USDA-Natural Resources Conservation Service or other useful reports specific to the flood control dam, should be placed behind all Technical Forms in the application.

**POLLING LOCATIONS FOR JUNE 22, 2010**

**PRECINCT NO:**

**LOCATION:**

101,103,104,105  
106,107,108,109

FANNIN ELEMENTARY 3201 N BEATON CORSICANA  
RICE CITY HALL 203 E CALHOUN RICE

200,201,202,208,209  
203,204,205,206,207

NAVARRO CO COURTHOUSE 300 W 3<sup>RD</sup> AVE CORSICANA  
KERENS ISD ADMIN BLDG 200 BOBCAT LN KERENS

300,301,303,306  
304,305, 307,308

UNITED CHRISTIAN FELLOWSHIP 3301 W 7<sup>TH</sup> AVE CORSICANA  
ANGUS CITY HALL 6008 S IH 45 CORSICANA

400,400A,401,402  
403,404,405,406

WESTHILL CHURCH OF CHRIST 3400 W HWY 22 CORSICANA  
BLOOMING GROVE FIRE DEPT 101 S HNCKLEY BLOOMING GROVE

#13

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**Resolution Authorizing Participation in TexPool  
 and Designating Authorized Representatives**

**WHEREAS,**                      **NAVARRO COUNTY**

("Participant") is a local government or state agency of the State of Texas and is empowered to delegate to the public funds investment pools the authority to invest funds and to act as custodian of investments purchased with local investment funds; and

**WHEREAS,** it is in the best interest of the Participant to invest local funds in investments that provide for the preservation and safety of principal, liquidity, and yield consistent with the Public Funds Investment Act; and

**WHEREAS,** the Texas Local Government Investment Pools ("TexPool"), public funds investment pools, were created on behalf of entities whose investment objectives in order of priority are preservation and safety of principal, liquidity, and yield consistent with the Public Funds Investment Act.

**NOW THEREFORE,** be it resolved as follows:

- A. That Participant shall enter into a Participation Agreement to establish an account in its name in TexPool, for the purpose of transmitting local funds for investment in TexPool.
- B. That the individuals, whose signatures appear in this Resolution, are authorized representatives of the Participant and are each hereby authorized to transmit funds for investment in TexPool and are each further authorized to withdraw funds from time to time, to issue letters of instruction, and to take all other actions deemed necessary or appropriate for the investment of local funds.

List the authorized representatives of the Participant. These individuals will be issued Personal Identification Numbers (PINs) to transact business via the phone with a Participant Services Representative.

1. Name: RUBY COKER Title: NAVARRO COUNTY TREASURER  
 Phone/Fax/Email: rcoker@navarrocounty.org  
 Signature: *Ruby Coker*

2. Name: KATHY HOLLOWOM Title: NAVARRO COUNTY AUDITOR  
 Phone/Fax/Email: khollowom@navarrocounty.org  
 Signature: *Kathy B. Hollowom*

3. Name: RUSSELL HUDSON Title: TAX ASSESSOR/COLLECTOR  
 Phone/Fax/Email: rHUDSON@navarrocounty.org  
 Signature: *[Signature]*

4. Name:                      Title:                       
 Phone/Fax/Email:                       
 Signature:                     

ORIGINALS REQUIRED

TEX – ENROLL

928

List the name of the Authorized Representative provided above that will have primary responsibility for performing transactions and receiving confirmations and monthly statements under the Participation Agreement.

Name: KATHY HOLLOMON - NAVARRO COUNTY AUDITOR

In addition and at the option of the Participant, one additional authorized representative can be designated to perform inquiry only of selected information. This limited representative cannot make deposits or withdrawals. If the Participant desires to designate a representative with inquiry rights only, complete the following information.

5. Name: \_\_\_\_\_ Title: \_\_\_\_\_  
Phone/Fax/Email: \_\_\_\_\_

C. That this resolution and its authorization shall continue in full force and effect until amended or revoked by the Participant, and until TexPool receives a copy of any such amendment or revocation.

This resolution is hereby introduced and adopted by the Participant at its regular/special meeting held on the 24 Day of MAY, 20 10.

NAME OF PARTICIPANT: NAVARRO COUNTY

BY: [Signature]  
Signature

H. M. DAVENPORT, JR.  
Printed Name

NAVARRO COUNTY JUDGE  
Title

ATTEST: [Signature]  
Signature

SHERRY DOWD  
Printed Name

NAVARRO COUNTY CLERK  
Title



ORIGINALS REQUIRED

TEX - ENROLL



**Authorized Representatives.** Each of the following Participant officials is designated as Participant's Authorized Representative authorized to give notices and instructions to the Board in accordance with the Agreement, the Bylaws, the Investment Policy, and the Operating Procedures:

- 1. Name: RUBY COKER Title: NAVARRO COUNTY TREASURER  
 Signature: *Ruby Coker* Phone: (903) 654-3090  
 Email: rcoker@navarrocounty.org
- 2. Name: KATHY HOLLOMON Title: NAVARRO COUNTY AUDITOR  
 Signature: \_\_\_\_\_ Phone: (903) 654-3094  
 Email: khollomon@navarrocounty.org
- 3. Name: \_\_\_\_\_ Title: \_\_\_\_\_  
 Signature: \_\_\_\_\_ Phone: \_\_\_\_\_  
 Email: \_\_\_\_\_
- 4. Name: \_\_\_\_\_ Title: \_\_\_\_\_  
 Signature: \_\_\_\_\_ Phone: \_\_\_\_\_  
 Email: \_\_\_\_\_

**{REQUIRED} PRIMARY CONTACT:** List the name of the Authorized Representative **listed above** that will be designated as the Primary Contact and will receive all TexSTAR correspondence including transaction confirmations and monthly statements

Name: KATHY HOLLOMON

**{OPTIONAL} INQUIRY ONLY CONTACT:** In addition, the following additional Participant representative (**not listed above**) is designated as an **Inquiry Only** Representative authorized to obtain account information:

Name: \_\_\_\_\_ Title: \_\_\_\_\_  
 Signature: \_\_\_\_\_ Phone: \_\_\_\_\_  
 Email: \_\_\_\_\_

Participant may designate other authorized representatives by written instrument signed by an existing Participant Authorized Representative or Participant's chief executive officer.

DATED MAY 24, 2010

NAVARRO COUNTY  
(NAME OF PARTICIPANT)

SIGNED BY: \_\_\_\_\_

*[Handwritten Signature]*  
(Signature of official)

H. M. DAVENPORT, Jr. - NAVARRO COUNTY JUDGE  
(Printed name and title)

ATTESTED BY: \_\_\_\_\_

*[Handwritten Signature]*  
(Signature of official)

SHERRY DOWD - NAVARRO COUNTY CLERK  
(Printed name and title)



OFFICIAL SEAL OF PARTICIPANT (REQUIRED)

FOR INTERNAL USE ONLY

APPROVED AND ACCEPTED TEXAS SHORT TERM ASSET RESERVE FUND

.....  
AUTHORIZED SIGNER



#14

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**NAVARRO COUNTY JUDGE'S OFFICE**

**H. M. Davenport, Jr.**  
County Judge  
Phone: (903) 654-3025

300 West Third Avenue, Suite 102  
Corsicana, Texas 75110  
e-mail: [hmdavenport@navarrocounty.org](mailto:hmdavenport@navarrocounty.org)

**Sherlyn Curtis**  
Administrative Assistant  
Fax: (903) 872-0778

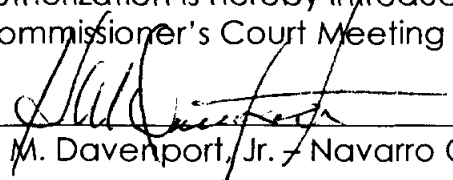
May 24, 2010

RE: Navarro County Bank Accounts with Prosperity Bank

The individuals listed below shall be authorized to sign on the following Navarro County Prosperity Bank accounts:

Accounts	Account Numbers
General Fund	7302200731
N. Tx. HIDTA	2201325
Trust Fund	2200707
Sheriff Seizure	2200855
Road & Bridge	2200344
Capital Projects	2200871
Debt Service	2200822
Disbursement	2600328
Distr. Atty. Forfeiture	2200848
Flood Control	2200962
Health Insurance	2200897
Juvenile Probation	2200939
Community Supervision	2200905
Payroll	2600344
Economic Development	2201424
Revolving & Clearing	2200889
N Tx HIDTA Seizure	2201325
TCDP Grant Fund	2702603
Lake Trust	2200996

Authorized Signatures shall be: Ruby Coker – County Treasurer and Jane McCollum – Assistant Treasurer. Kathy B. Hollomon – County Auditor, Assistant Auditors – Terri Gillen, Ann Tanner, Jeannie Keeney, and Julie Jennings. Two signatures (one signature from each office) shall be on each check presented. Please remove Tim Easley, First Assistant Auditor as he has discontinued employment with Navarro County. This authorization is hereby introduced and adopted during the Navarro County Commissioner's Court Meeting on May 24, 2010.

  
\_\_\_\_\_  
H. M. Davenport, Jr. - Navarro County Judge

5-24-10  
Date



**NAVARRO COUNTY JUDGE'S OFFICE**

**H. M. Davenport, Jr.**  
County Judge  
Phone: (903) 654-3025

300 West Third Avenue, Suite 102  
Corsicana, Texas 75110  
e-mail: [hmdavenport@navarrocounty.org](mailto:hmdavenport@navarrocounty.org)

**Sherlyn Curtis**  
Administrative Assistant  
Fax: (903) 872-0778

RE: Navarro County Bank Accounts with Prosperity Bank

Attest by: Sherry Dowd  
Sherry Dowd - Navarro County Clerk

5-24-10  
Date



H 15

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AFFIDAVIT SUBMITTED BY  
RUBY COKER  
NAVARRO COUNTY TREASURER

STATE OF TEXAS

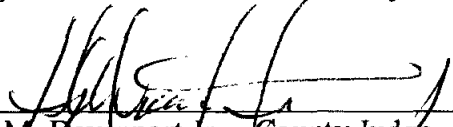
COUNTY OF NAVARRO

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

I, Ruby Coker, the Navarro County Treasurer, on this 24th day of May, 2010 present to the Navarro County Commissioners Court the Monthly Financial Report for the month ending on April 30, 2010 for the court to review and approve. According to the report, Navarro County had cash on hand in the amount of \$1,530,785.40. Also, other assets totaling \$11,053,544.17 are being held by the Treasurer's office. The total interest for all accounts for the month of April, 2010 was \$3,552.75. The total disbursements for the month of April, 2010 were \$3,188,476.45. This report is in compliance with section 114.026 of the Local Government Code, so therefore we hereby execute this affidavit for publication.

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

Signed and executed this 24th day of May, 2010.

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

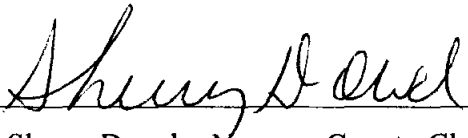
  
\_\_\_\_\_  
Faith Holt - Commissioner Pct 2

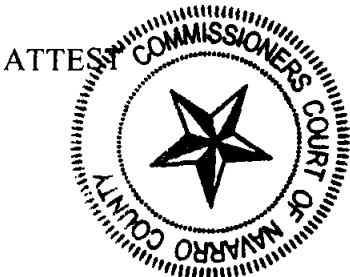
  
\_\_\_\_\_  
Kit Herrington - Commissioner Pct 1

  
\_\_\_\_\_  
David Warren - Commissioner Pct 3

  
\_\_\_\_\_  
James Olsen - Commissioner Pct 4

SWORN AND SUBSCRIBED TO BEFORE ME, this 24th day of May, 2010 by H. M. Davenport, Jr., Kit Herrington, Faith Holt, David Warren, and James Olsen, in their official capacities as the members of the Navarro County Commissioners Court.

  
\_\_\_\_\_  
Sherry Dowd - Navarro County Clerk



Navarro County  
 April 2010 Financial Report  
 by Fund

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	Budget	Current Month	YTD
<b>General Fund:</b>			
<b>Revenues</b>			
Property Taxes	12,125,052.00	332,050.51	11,270,442.36
Other	4,839,477.00	433,277.43	2,384,539.59
<b>Total</b>	<b>16,964,529.00</b>	<b>765,327.94</b>	<b>13,654,981.95</b>
<b>Expenditures</b>			
Commissioner's Court	155,411.00	10,989.70	85,689.03
Planning & Dev.	324,775.00	18,075.09	152,441.09
County Clerk	502,635.00	89,192.71	286,883.02
District Clerk	370,599.00	26,551.61	209,179.21
Veterans' Service	20,049.00	1,522.82	10,644.39
Information Systems	183,879.00	6,347.68	134,694.47
HAVA	0.00	0.00	7,740.00
Elections	202,488.00	20,410.49	140,384.80
Courthouse	2,164,559.00	119,459.14	1,052,585.24
Extension	197,968.00	15,129.32	116,924.86
Historical Commission	5,500.00	0.00	(209.94)
County Judge	232,705.00	17,862.28	132,569.79
District Court	585,158.00	58,008.66	354,834.97
JP Pct 1	158,415.00	12,648.13	93,934.48
JP Pct 2	156,103.00	12,095.67	90,800.00
JP Pct 3	191,408.00	15,159.03	111,324.73
JP Pct 4	204,616.00	15,818.91	120,688.07
District Attorney	846,365.00	73,472.20	456,247.63
Law Library	5,200.00	100.00	3,058.00
County Auditor	404,276.50	58,567.64	245,262.07
County Treasurer	122,964.00	9,837.36	72,439.07
Tax Assessor/Collector	723,982.05	97,593.37	479,826.29
County Jail	5,284,248.00	431,246.66	2,690,973.71
Constable Pct 1	33,219.00	2,037.58	17,796.33
Constable Pct 2	30,898.00	1,845.34	13,968.36
Constable Pct 3	16,106.00	1,240.80	9,698.59
Constable Pct 4	29,439.00	2,098.81	15,002.92
Sheriff	2,967,154.00	278,352.13	1,679,613.98
Sheriff Communications	648,916.00	47,523.42	349,866.24
Highway Patrol	79,652.00	6,180.34	48,424.19
License & Weights	3,400.00	63.00	1,077.04
Emergency Mgt	50,000.00	594.02	9,864.26
CSCD	10,500.00	881.02	5,245.26
Juvenile Expenditures	108,937.00	6,679.75	43,665.16
Indigent Health	630,135.00	25,438.31	329,687.04
<b>Total</b>	<b>17,651,659.55</b>	<b>1,483,022.99</b>	<b>9,572,824.35</b>
<b>General Net</b>	<b>(687,130.55)</b>	<b>(717,695.05)</b>	<b>4,082,157.60</b>

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Navarro County  
April 2010 Financial Report  
by Fund

	Budget	Current Month	YTD
<b>Flood Control</b>			
<b>Revenues</b>			
Property Taxes	225,525.00	6,431.56	211,349.82
Other	6,000.00	0.00	694.28
Total	231,525.00	6,431.56	212,044.10
<b>Expenditures</b>	400,000.00	4,500.00	65,887.80
<b>Flood Control Net</b>	<b>(174,475.00)</b>	<b>1,931.56</b>	<b>145,462.02</b>
<b>Debt Service</b>			
<b>Revenues</b>			
Property Taxes	447,552.00	13,603.01	459,649.66
Other	1,500.00	0.00	172.24
Total	449,052.00	13,603.01	459,821.90
<b>Expenditures</b>	506,230.00	750.00	466,640.00
<b>Debt Svc. Net</b>	<b>(58,678.00)</b>	<b>12,853.01</b>	<b>(6,990.34)</b>
<b>Road &amp; Bridge Pct. 1</b>			
<b>Revenues</b>			
Property Taxes	661,476.00	17,900.82	607,608.50
State of TX	23,000.00	0.00	10,493.97
Vehicle Registration	225,000.00	60,552.08	127,063.41
Fines & Forfeitures	107,750.00	13,456.47	76,280.34
Other	1,200.00	0.00	944.56
Total	1,018,426.00	91,909.37	822,390.78
<b>Expenditures</b>			
Personnel	469,713.00	34,026.89	222,697.21
Supplies	360,000.00	45,242.33	295,958.51
Other Svcs & Charges	127,800.00	19,153.73	77,450.56
Capital Outlay	172,169.00	7,596.23	139,042.76
Total	1,129,682.00	106,019.18	735,149.04
<b>R &amp; B #1 Net</b>	<b>(111,256.00)</b>	<b>(14,109.81)</b>	<b>87,241.74</b>
<b>Road &amp; Bridge Pct. 2</b>			
<b>Revenues</b>			
Property Taxes	661,476.00	17,900.84	607,608.52
State of TX	23,000.00	0.00	10,493.97
Vehicle Registration	225,000.00	60,552.08	127,063.41
Fines & Forfeitures	107,750.00	13,456.46	76,280.33
Other	1,500.00	20.40	43,579.27
Total	1,018,726.00	91,929.78	865,025.50
<b>Expenditures</b>			
Personnel	513,415.00	41,034.24	284,118.32
Supplies	420,000.00	24,081.07	85,433.06
Other Svcs & Charges	99,100.00	9,066.08	67,123.32
Capital Outlay	76,000.00	3,739.56	19,532.40
Total	1,108,515.00	77,920.95	456,207.10
<b>R &amp; B # 2 Net</b>	<b>(89,789.00)</b>	<b>14,008.83</b>	<b>408,818.40</b>

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Navarro County  
April 2010 Financial Report  
by Fund

	Budget	Current Month	YTD
<b>Road &amp; Bridge Pct. 3</b>			
<b>Revenues</b>			
Property Taxes	661,476.00	17,900.82	607,608.51
State of TX	23,000.00	0.00	10,493.97
Vehicle Registration	225,000.00	60,552.08	127,063.40
Fines & Forfeitures	107,750.00	13,456.46	76,280.34
Other	66,200.00	40,000.00	40,346.07
Total	1,083,426.00	131,909.36	861,792.29
<b>Expenditures</b>			
Personnel	503,635.00	42,213.03	282,211.11
Supplies	545,856.00	50,075.34	148,807.76
Other Svcs & Charges	114,163.00	6,232.71	45,390.45
Capital Outlay	77,224.00	3,452.09	50,708.56
Total	1,240,878.00	101,973.17	527,117.88
<b>R &amp; B #3 Net</b>	<b>(157,452.00)</b>	<b>29,936.19</b>	<b>334,674.41</b>
<b>Road &amp; Bridge Pct. 4</b>			
<b>Revenues</b>			
Property Taxes	661,476.00	17,900.82	607,608.52
State of TX	23,000.00	0.00	10,493.97
Vehicle Registration	225,000.00	60,552.08	127,063.40
Fines & Forfeitures	107,750.00	13,456.46	76,280.35
Other	1,000.00	0.00	248.70
Total	1,018,226.00	91,909.36	821,694.94
<b>Expenditures</b>			
Personnel	478,611.00	38,325.97	279,283.98
Supplies	530,000.00	113,282.25	407,715.87
Other Svcs & Charges	88,750.00	6,831.49	43,728.49
Capital Outlay	57,000.00	1,622.32	3,244.64
Total	1,154,361.00	160,062.03	733,972.98
<b>R &amp; B # 4 Net</b>	<b>(136,135.00)</b>	<b>(68,152.67)</b>	<b>87,721.96</b>
<b>April Taxes Recorded 5/17/2010</b>			
General Fund		188,334.45	11,458,776.81
Flood Control		3,702.58	215,052.40
Debt Service		7,755.94	467,405.60
Road & Bridge		40,105.32	2,470,539.37
Total		<u>239,898.29</u>	<u>14,611,774.18</u>

#17

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**EQUIPMENT LEASE-PURCHASE AGREEMENT**

**By and between**

**Welch State Bank  
as Lessor**

**and**

**Navarro County  
as Lessee**

**Dated as of May 24, 2010**

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**EQUIPMENT LEASE-PURCHASE AGREEMENT**

This EQUIPMENT LEASE-PURCHASE AGREEMENT (the "Agreement"), dated as of **May 24, 2010**, and entered into between **Welch State Bank**, 396 S. Commercial, Welch, OK, 74369 ("Lessor") and **Navarro County**, 300 West 3rd Avenue, Suite 10, Corsicana, TX, 75110 ("Lessee"), a political subdivision duly organized and existing under the laws of the State of Texas ("State").

**WITNESSETH:**

WHEREAS, Lessor desires to lease the Equipment, as hereinafter described in Exhibit "A", to Lessee, and Lessee desires to lease the Equipment from Lessor, subject to the terms and conditions of and for the purposes set forth in this Agreement; and WHEREAS, Lessee is authorized under the Constitution and laws of the State of Texas to enter into this Agreement for the purposes set forth herein:

NOW, THEREFORE, in considerations of the premises and the mutual covenants and agreements herein set forth, Lessor and Lessee do hereby covenant and agree as follows:

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

"Agreement" means this Equipment Lease-Purchase Agreement and any schedule or exhibit made a part hereof by the parties hereto, together with any amendments to the Agreement made pursuant to Section 13.03 and 13.06.

"Code" means the Internal Revenue Code of 1986, as amended.

"Commencement Date" is the date when the term of this Agreement and Lessee's obligation to pay rent commences, which date shall be the date first above written.

"Equipment" means the property described in Exhibit "A", Equipment Description, and all replacements, repairs, restorations, modifications and improvements thereof or thereto made pursuant to Section 5.04 or Article VIII.

"Event of Default" means any event of default described in Section 12.01.

"Issuance Year" means the calendar year in which this Agreement was entered into by Lessee and Lessor.

"Lease Term" means the Original Term and all Renewal Terms.

"Lessee" means the entity described as such in the first paragraph of this Agreement, its successors and its assigns.

"Lessor" means the entity described as such in the first paragraph of this Agreement, its successors and its assigns.

"Original Term" means the period from the Commencement Date until the end of the budget year of Lessee in effect on the Commencement Date.

"Purchase Price" means the amount designated as such on Exhibit B hereto, together with all other amounts then due hereunder, that Lessee may, in its discretion, pay to Lessor to purchase the Equipment.

"Renewal Terms" means the renewal terms of this Agreement, each having a duration of one year and a term coextensive with Lessee's budget year.

"Rental Payments" means the basic rental payments payable by Lessee pursuant to Section 4.01.

"Rental Payment Date" means the date upon which any Rental Payment is due and payable as provided in Exhibit B.

"State" means the State of Texas.

"Vendors" means the manufacturer of the Equipment as well as agents or dealers of the manufacturer from whom Lessor purchased or is purchasing the Equipment.

**ARTICLE II. Section 2.01. Representations and Covenants of Lessee.** Lessee represents, covenants and warrants for the benefit of Lessor as follows:

- (a) Lessee is a political subdivision of the State duly organized and existing under the Constitution and laws of the State with full power and authority to enter into this Agreement, as specified in Texas Statutes, and the transactions contemplated hereby and to perform all of its obligations hereunder.
- (b) Lessee has duly authorized the execution and delivery of this Agreement by proper action by its governing body at a meeting duly called, regularly convened and attended throughout by the requisite majority of the members thereof or by other appropriate official approval, and all requirements have been met and procedures have occurred in order to ensure the validity and enforceability of this Agreement.
- (c) No event or condition that constitutes, or with the giving of notice or the lapse of time or both would constitute, an Event of Default exists at the date hereof.
- (d) Lessee has, in accordance with the requirements of law, fully budgeted and appropriated sufficient funds for the current budget year to make the Rental Payments scheduled to come due during the current budget year, and to meet its other obligations for the current budget year, and such funds have not been expended for other purposes.
- (e) Lessee will do or cause to be done all things necessary to preserve and keep in full force and effect its existence as a public body corporate and politic.
- (f) Lessee has complied with such public bidding requirements as may be applicable to this Agreement and the acquisition by Lessee of the Equipment.



- (g) During the Lease Term, the Equipment will be used by Lessee only for the purpose of performing essential governmental or proprietary functions of Lessee consistent with the permissible scope of Lessee's authority. The Equipment will have a useful life in the hands of Lessee in excess of the Original Term and all Renewal Terms.
- (h) Lessee will annually provide Lessor with current financial statements, budgets, proofs of appropriation for the ensuing budget year and other such financial information relating to the ability of Lessee to continue this Agreement as may be requested by Lessor. Should Lessor assign this Agreement, Lessee will provide updated certificates regarding the use of the Equipment and Lessee's compliance with the terms hereof.
- (i) Lessee will comply with all applicable provisions of the Code, including without limitation Sections 103 and 148 thereof, and the applicable regulations of the Treasury Department to maintain the exclusion of the interest components of Rental Payments from gross income taxation.
- (j) Lessee will use the proceeds of this Agreement as soon as practicable and with all reasonable dispatch for the purpose for which the Agreement has been entered into. No part of the proceeds of the Agreement shall be invested in any securities, obligations or other investments or used, at any time, directly or indirectly, in a manner which, if such use had been reasonably anticipated on the date of issuance of the Agreement, would have caused any portion of the Agreement to become "arbitrage bonds" within the meaning of Section 103(b)(2) or Section 148 of the Code and the applicable regulations of the Treasury Department.
- (k) Lessee represents and warrants that it is a governmental unit under the laws of the State with general taxing powers; the Agreement is not a private activity bond as defined in Section 141 of the Code; 95% or more of the net proceeds of the Agreement will be used for local governmental activities of Lessee; and the aggregate face amount of all tax-exempt obligations (other than private activity bonds) issued or to be issued by Lessee and all subordinate entities thereof during the Issuance Year is not reasonably expected to exceed \$10,000,000. Lessee and all subordinate entities thereof will not issue in excess of \$10,000,000 of tax-exempt bonds (including the Agreement but excluding private activity bonds) during the Issuance Year without first obtaining an opinion of nationally-recognized counsel in the area of tax-exempt municipal obligations acceptable to Lessor that the excludability of the interest components of Rental Payments on the agreement from gross income for federal tax purposes will not be adversely affected.

**Section 2.02. Certification as to Arbitrage.** Lessee hereby represents as follows:

- (a) The Equipment has been ordered or is expected to be ordered within six months of the Commencement Date, and the Equipment is expected to be delivered and installed, and the Vendor fully paid, within one year of the Commencement Date.
- (b) Lessee has not created or established, and does not expect to create or establish, any sinking fund or other similar fund (i) that is reasonably expected to be used to pay the Rental Payments, or (ii) that may be used solely to prevent a default in the payment of the Rental Payments.
- (c) The Equipment has not been and is not expected to be sold or otherwise disposed of by Lessee, either in whole or in major part, prior to the last maturity of the Rental Payments.
- (d) Lessee has not been notified of any listing or proposed listing of it by the Internal Revenue Service as an issuer whose arbitrage certificates may not be relied upon.

**ARTICLE III. Section 3.01. Lease of Equipment.** Lessor hereby demises, leases and lets to Lessee, and Lessee rents, leases and hires from Lessor, the Equipment in accordance with this Agreement for the Lease Term. This Agreement shall be in effect and shall commence as of the Commencement Date. The Lease Term may be continued, solely at the option of Lessee, at the end of the Original Term or any Renewal Term for an additional Renewal Term up to the maximum Lease Term set forth in Exhibit B hereto. At the end of the Original Term and at the end of each Renewal Term until the maximum Lease Term has been completed, Lessee shall be deemed to have exercised its option to continue this Agreement for the next Renewal Term if Lessee budgets and appropriates or otherwise makes legally available funds to pay Rental Payments for such Renewal Term, unless Lessee shall have terminated this Agreement pursuant to Section 10.01. The terms and conditions during any Renewal Term shall be the same as the terms and conditions during the Original Term, except that the Rental Payments shall be as provided on Exhibit B hereto.

**Section 3.02. Continuation of Lease Term.** It is the intent of Lessee to continue the Lease Term through the Original Term and all Renewal Terms and to pay the Rental Payments hereunder. Lessee reasonably believes that legally available funds in an amount sufficient to make all Rental Payments during the entire Lease Term can be obtained. Lessee and lessor acknowledge that appropriation for Rental Payments is a governmental function which Lessee cannot contractually commit itself in advance to perform and this Agreement does not constitute such a commitment. However, Lessee reasonably believes that moneys in an amount sufficient to make all Rental Payments can and will lawfully be appropriated and made available to permit Lessee's continued utilization of the Equipment in the performance of its essential functions during the Lease Term. Lessee will use funds appropriated for this Agreement for no other purpose than to pay the Rental Payments and other amounts due hereunder. **Section 3.03. Nonappropriation.** Lessee is obligated only to pay such Rental Payments under this Agreement as may lawfully be made from funds budgeted and appropriated for that purpose during Lessee's then current budget year. Should Lessee fail to budget, appropriate or otherwise make available funds to pay Rental Payments following the then current Original Term or Renewal Term, this Agreement shall be deemed terminated at the end of the then current Original Term or Renewal Term. Lessee agrees to

deliver notice to Lessor of such termination at least 90 days prior to the end of the then current Original Term or Renewal Term, but failure to give such notice shall not extend the term beyond such Original Term or Renewal Term. If this Agreement is terminated in accordance with this Section, Lessee agrees to peaceably deliver the Equipment, at Lessee's sole expense, to Lessor at the location(s) to be specified by Lessor.

**ARTICLE IV. Section 4.01. Rental Payments.** Lessee shall promptly pay Rental Payments to Lessor, exclusively from legally available funds, in lawful money of the United States of America, without notice or demand, in such amounts and on or before the applicable Rental Payment Dates set forth on Exhibit B hereto, at the address set forth on the first page hereof or such other address as Lessor or its assigns may from time to time request in writing. Lessee shall pay Lessor interest on any Rental Payment not paid on the date such payment is due at the rate of 12% per annum or the maximum amount permitted by law, whichever is less, from such date. A portion of each Rental Payment is paid as and represents payment of, interest, as set forth on Exhibit B hereto.

**Section 4.02. Rental Payments to Constitute a Current Expense of Lessee.** Lessor and Lessee understand and intend that the obligation of Lessee to pay Rental Payments hereunder shall constitute a current expense of Lessee and shall not in any way be construed to be a debt of Lessee in contravention of any applicable constitutional or statutory limitation or requirement governing the creation of indebtedness by Lessee, nor shall anything contained herein constitute a pledge of the general tax revenues, funds or monies of Lessee.

**Section 4.03. RENTAL PAYMENTS TO BE UNCONDITIONAL.** EXCEPT AS PROVIDED IN SECTION 3.03, THE OBLIGATIONS OF LESSEE TO MAKE RENTAL PAYMENTS AND TO PERFORM AND OBSERVE THE OTHER COVENANTS AND AGREEMENTS CONTAINED HEREIN SHALL BE ABSOLUTE AND UNCONDITIONAL IN ALL EVENTS WITHOUT ABATEMENT, DIMINUTION, DEDUCTION, SET-OFF OR DEFENSE, FOR ANY REASON, INCLUDING WITHOUT LIMITATION ANY FAILURE OF THE EQUIPMENT TO BE DELIVERED OR INSTALLED, ANY DEFECTS, MALFUNCTIONS, BREAKDOWNS OR INFIRMITIES IN THE EQUIPMENT OR ANY ACCIDENT, CONDEMNATION OR UNFORESEEN CIRCUMSTANCES.

**ARTICLE V. Section 5.01. Delivery, Installation and Acceptance of the Equipment.** Lessee shall order the Equipment and cause the Equipment to be delivered and installed at the location specified on Exhibit A. When the Equipment has been delivered and installed, Lessee shall immediately accept the Equipment and evidence said acceptance by executing and delivering to Lessor an acceptance certificate acceptable to Lessor.

**Section 5.02. Enjoyment of Equipment.** Lessor shall provide Lessee with quiet use and enjoyment of the Equipment during the Lease Term, and Lessee shall peaceably and quietly have, hold and enjoy the Equipment during the Lease Term, without suit, trouble or hindrance from Lessor, except as otherwise expressly set forth in this Agreement.

**Section 5.03. Location; Inspection.** Lessor shall have the right at all reasonable times during regular business hours to enter into and upon the property of Lessee for the purpose of inspecting the Equipment.

**Section 5.04. Use and Maintenance of the Equipment.** Lessee will not install, use, operate or maintain the Equipment improperly, carelessly, in violation of any applicable law or in a manner contrary to that contemplated by this Agreement. Lessee shall provide all permits and licenses, if any, necessary for the installation and operation of the Equipment. In addition, Lessee agrees to comply in all respects with all applicable laws, regulations and rulings of any legislative, executive, administrative or judicial body; provided that Lessee may contest in good faith the validity or application of any such law, regulation or ruling in any reasonable manner that does not, in the opinion of Lessor, adversely affect the interest of Lessor in and to the Equipment or its interest or rights under this Agreement. Lessee agrees that it will, at Lessee's own cost and expense, maintain, preserve and keep the Equipment in good repair and working order. Lessor shall have no responsibility to maintain, repair or make improvements or additions to the Equipment. Upon the request of Lessor, Lessee will enter into a maintenance contract for the Equipment with one or more Vendors.

**ARTICLE VI. Section 6.01. Title to the Equipment.** Upon acceptance of the Equipment by Lessee, title to the Equipment shall vest in Lessee subject to Lessor's rights under this Agreement. title shall thereafter immediately and without any action by Lessee vest in Lessor, and Lessee shall immediately surrender possession of the Equipment to Lessor upon (a) any termination of this Agreement other than termination pursuant to Section 10.01 or (b) the occurrence of an Event of Default. It is the intent of the parties hereto that any transfer of title to Lessor pursuant to this Section shall occur automatically without the necessity of any bill of sale, certificate of title or other instrument of conveyance. Lessee shall, nevertheless, execute and deliver any such instruments as Lessor may request to evidence such transfer. Upon termination of this Lease in accordance with Articles 3 and 12 hereof, at the election of Lessor and upon Lessor's written notice to Lessee, full and unencumbered legal title and ownership of the Equipment shall pass to Lessor, Lessee shall have no further interest therein, and Lessee shall execute and deliver to Lessor such documents as Lessor may request to evidence the passage of legal title and ownership to Lessor and termination of Lessee's interest in the Equipment.

**Section 6.02. Security Interest.** To secure the payment of all of Lessee's obligations under this Agreement, Lessee hereby grants to Lessor a security interest constituting a first lien on the Equipment and on all additions, attachments and accessions

thereto, substitutions therefor and proceeds therefrom. Lessee agrees to execute such additional documents, in form satisfactory to Lessor, which Lessor deems necessary or in form satisfactory to Lessor, which Lessor deems necessary or appropriate to establish and maintain its security interest and the security interest of any assignee of Lessor in the Equipment.

**Section 6.03. Personal Property.** The Equipment is and will remain personal property. The Equipment will not be deemed to be affixed to or a part of the real estate on which may be situated, notwithstanding that the Equipment or any part thereof may be or hereafter become in any manner physically affixed or attached to such real estate or any building thereon. Upon the request of Lessor, Lessee will, at Lessee's expense, furnish a waiver of any interest in the Equipment from any party having an interest in any such real estate or building.

**ARTICLE VII. Section 7.01. Liens, Taxes, Other Governmental Charges and Utility Charges.** Lessee shall keep the Equipment free of all levies, liens and encumbrances except those created by this Agreement. The parties to this Agreement contemplate that the Equipment will be used for a governmental or proprietary purpose of Lessee and that the Equipment will therefore be exempt from all property taxes. If the use, possession or acquisition of the Equipment by Lessee is nevertheless determined to be subject to taxation, Lessee shall pay when due all taxes and governmental charges lawfully assessed or levied against or with respect to the Equipment. Lessee shall pay such taxes or charges as the same may become due.

**Section 7.02. Insurance.** At its own expense, Lessee shall cause casualty, public liability and property damage insurance to be carried and maintained in the amounts and for the coverage set forth in Exhibit G. All insurance proceeds from casualty losses shall be payable as hereinafter provided in this Agreement. Lessee shall furnish to Lessor certificates evidencing such coverage throughout the Lease Term. Alternatively, Lessee may insure the Equipment under a blanket insurance policy or policies which cover not only the Equipment but other properties. All such insurance shall be with insurers that are acceptable to Lessor, shall name Lessee and Lessor as insureds and shall contain a provision to the effect that such insurance shall not be cancelled or modified materially without first giving written notice thereof to Lessor at least 10 days in advance of such cancellation or modification. All such casualty insurance shall contain a provision making any losses payable to Lessee and Lessor as their respective interests may appear. With written consent of Lessor, Lessee may satisfy the insurance requirements of this Section 7.02 by self-insurance.

**Section 7.03. Advances.** In the event Lessee shall fail to either maintain the insurance required by this Agreement or keep the Equipment in good repair and working order, Lessor may, but shall be under no obligation to, purchase the required insurance and pay the cost of the premiums thereof and maintain and repair the Equipment and pay the cost thereof. All amounts so advanced by Lessor shall constitute additional rent for the then current Original Term or Renewal Term and Lessee covenants and agrees to pay such amounts so advanced by Lessor with interest thereon from the due date until paid at the rate of 12% per annum or the maximum amount permitted by law, whichever is less.

**ARTICLE VIII. Section 8.01. Damage, Destruction and Condemnation.** If (a) the equipment or any portion thereof is destroyed, in whole or in part, or is damaged by fire or other casualty or (b) title to, or the temporary use of, the Equipment or any part thereof shall be taken under the exercise or threat of the power of eminent domain by any governmental body or by any person, firm or corporation acting pursuant to governmental authority, Lessee and Lessor will cause the Net Proceeds of any insurance claim, condemnation award or sale under threat of condemnation to be applied to the prompt replacement, repair, restoration, modification or improvement of the Equipment, unless Lessee shall have exercised its option to purchase the Equipment pursuant to Section 10.01. Any balance of the Net Proceeds remaining after such work has been completed shall be paid to Lessee. For purposes of this Article, the term "Net Proceeds" shall mean the amount remaining from the gross proceeds of any insurance claim, condemnation award or sale under threat of condemnation after deducting all expenses, including attorneys' fees, incurred in the collection thereof.

**Section 8.02. Insufficiency of Net Proceeds.** If the Net Proceeds are insufficient to pay in full the cost of any repair, restoration, modification or improvement referred to in Section 8.01, Lessee shall either (a) complete such replacement, repair, restoration, modification or improvement and pay any costs thereof in excess of the amount of the Net Proceeds, or (b) purchase Lessor's interest in the Equipment pursuant to Section 10.01. The amount of the Net Proceeds, if any, remaining after completing such repair, restoration, modification or improvement or after purchasing Lessor's interest in the Equipment shall be retained by Lessee. If Lessee shall make any payments pursuant to this Section, Lessee shall not be entitled to any reimbursement therefor from Lessor nor shall Lessee be entitled to any diminution of the amounts payable under Article IV.

**ARTICLE IX. Section 9.01. DISCLAIMER OF WARRANTIES.** Lessee acknowledges and agrees that the Equipment is of a size, design and capacity selected by Lessee and that Lessor is neither a manufacturer nor a vendor of such Equipment. LESSOR MAKES NO WARRANTY OR REPRESENTATION, EITHER EXPRESS OR IMPLIED, AS TO THE VALUE, DESIGN, CONDITION, MERCHANTABILITY OR FITNESS FOR PARTICULAR PURPOSE OR USE OF THE EQUIPMENT OR ANY MANUFACTURER'S OR VENDOR'S WARRANTY WITH RESPECT THERETO. IN NO EVENT SHALL LESSOR BE LIABLE FOR ANY INCIDENTAL INDIRECT, SPECIAL OR CONSEQUENTIAL DAMAGE IN CONNECTION WITH OR ARISING OUT OF THIS AGREEMENT OR

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**EXHIBIT A TO EQUIPMENT LEASE-PURCHASE AGREEMENT**

**Dated May 24, 2010 Between Welch State Bank as Lessor and Navarro County as Lessee.**

**DESCRIPTION OF EQUIPMENT**

The following Equipment description is the subject of the attached Equipment Lease-Purchase Agreement.

<u>Qty</u>	<u>Description</u>
1	2010 Case 580SM Backhoe SN# NAC531362 attached with Together with all accessions, additions and attachments thereto

The Equipment is located at: Precinct #2

Lessee hereby certifies that the description of the Equipment set forth above constitutes an accurate description of the "Equipment", as defined in the attached Equipment Lease-Purchase Agreement.

**STATEMENT OF ESSENTIAL USE**

Please state below, or on the letterhead stationary of Navarro County, a brief statement about why the equipment listed in Exhibit "A" has been acquired. This statement should address the following questions:

1. What is the essential function(s) to be performed by the equipment? How long do you expect it will used?
2. Does it replace equipment that performed this (these) same function(s)? If so, how many years was the previous equipment in use?
3. Was this equipment chosen through competitive bidding, or by another method?
4. Which internal fund will be used to make the lease payments?

In answer to the above, the following is submitted:

- 1 Road & Bridge Construction. Loading Material, Maintenance and clearing ditches. 40 years
- 2 No.
- 3 This piece of equipment was chosen from the Texas Association of School Boards "Buy Board".
- 4 Navarro County Road & Bridge Fund – Pct 2

Navarro County

By:

  
H.M. Davenport, Jr.

Title: County Judge

death to any person, and/or (e) the breach of any covenant herein or any material misrepresentation contained herein. The indemnification arising under this paragraph shall continue in full force and effect notwithstanding the full payment of all obligations under this Agreement or the termination of the Lease Term for any reason.

**Section 13.03. Entire Agreement.** This Agreement constitutes the entire agreement between Lessor and Lessee. There are no understandings, agreements, representations or warranties, express or implied, not specified herein regarding this Agreement or the Equipment leased hereunder. Any terms and conditions of any purchase order or other document 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. Lessee by the signature below of its authorized representative acknowledges that it has read this Agreement, understands it, and agrees to be bound by its terms and conditions. No waiver, consent, amendment, modification or change of terms of this Agreement shall bind either party unless in writing, signed by both parties, and then such waiver, consent, amendment, modification or change shall be effective only in the specific instance and for the specific purpose given.

**Section 13.04. Binding Effect.** This Agreement shall inure to the benefit of and shall be binding upon Lessor and Lessee and their respective successors and assigns.

**Section 13.05. 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 13.06. Amendments, Changes and Modifications.** This Agreement may be amended by Lessor and Lessee.

**Section 13.07. 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 13.08. Applicable Law.** This Agreement shall be governed by and construed in accordance with the laws of the State.

**Section 13.09. Captions.** The captions or headings in this Agreement are for convenience only and in no way define, limit or describe the scope or intent of any provisions or sections of this Agreement.

**IN WITNESS WHEREOF,** Lessor has executed this Agreement in its corporate name with its corporate seal hereunto affixed and attested by its duly authorized officers, and Lessee has caused this Agreement to be executed in its corporate name and attested by its duly authorized officers as of the date written above.

**LESSOR**

Welch State Bank

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

Print Name: Sherri J. Mount

Title: Vice President

**LESSEE**

Navarro County

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

Print Name: H.M. DAVENPORT, JR.

Title: County Judge

(SEAL)

**ATTEST:**

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

Print Name: Kelli Langley

Title: Notary Public



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

Print Name: Sherry Dowd

Title: County Clerk

**EXHIBIT B TO EQUIPMENT LEASE-PURCHASE AGREEMENT**

Lease No. 46292

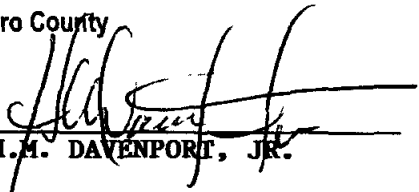
Dated May 24, 2010 Between Welch State Bank as Lessor and Navarro County as Lessee.

**RENTAL PAYMENT SCHEDULE****RATE: 3.88%****Equipment Cost \$80,174.66 + Doc Fee \$200.00 = \$80,374.66**

	<b>Date</b>	<b>Payment</b>	<b>Interest</b>	<b>Principal</b>	<b>Balance</b>
Loan	05/24/2010				80,374.66
1	06/24/2010	1,811.09	265.52	1,545.57	78,829.09
2	07/24/2010	1,811.09	252.01	1,559.08	77,270.01
3	08/24/2010	1,811.09	255.26	1,555.83	75,714.18
4	09/24/2010	1,811.09	250.12	1,560.97	74,153.21
5	10/24/2010	1,811.09	237.07	1,574.02	72,579.19
6	11/24/2010	1,811.09	239.77	1,571.32	71,007.87
7	12/24/2010	1,811.09	227.01	1,584.08	69,423.79
2010 Totals		12,677.63	1,726.76	10,950.87	
8	01/24/2011	1,811.09	229.34	1,581.75	67,842.04
9	02/24/2011	1,811.09	224.12	1,586.97	66,255.07
10	03/24/2011	1,811.09	197.69	1,613.40	64,641.67
11	04/24/2011	1,811.09	213.55	1,597.54	63,044.13
12	05/24/2011	1,811.09	201.55	1,609.54	61,434.59
13	06/24/2011	1,811.09	202.95	1,608.14	59,826.45
14	07/24/2011	1,811.09	191.26	1,619.83	58,206.62
15	08/24/2011	1,811.09	192.29	1,618.80	56,587.82
16	09/24/2011	1,811.09	186.94	1,624.15	54,963.67
17	10/24/2011	1,811.09	175.72	1,635.37	53,328.30
18	11/24/2011	1,811.09	176.17	1,634.92	51,693.38
19	12/24/2011	1,811.09	165.26	1,645.83	50,047.55
2011 Totals		21,733.08	2,356.84	19,376.24	
20	01/24/2012	1,811.09	165.33	1,645.76	48,401.79
21	02/24/2012	1,811.09	159.90	1,651.19	46,750.60
22	03/24/2012	1,811.09	144.48	1,666.61	45,083.99
23	04/24/2012	1,811.09	148.94	1,662.15	43,421.84
24	05/24/2012	1,811.09	138.82	1,672.27	41,749.57
25	06/24/2012	1,811.09	137.92	1,673.17	40,076.40
26	07/24/2012	1,811.09	128.12	1,682.97	38,393.43
27	08/24/2012	1,811.09	126.83	1,684.26	36,709.17
28	09/24/2012	1,811.09	121.27	1,689.82	35,019.35
29	10/24/2012	1,811.09	111.96	1,699.13	33,320.22
30	11/24/2012	1,811.09	110.07	1,701.02	31,619.20
31	12/24/2012	1,811.09	101.09	1,710.00	29,909.20
2012 Totals		21,733.08	1,594.73	20,138.35	
32	01/24/2013	1,811.09	98.81	1,712.28	28,196.92
33	02/24/2013	1,811.09	93.15	1,717.94	26,478.98

34	03/24/2013	1,811.09	79.01	1,732.08	24,746.90
35	04/24/2013	1,811.09	81.75	1,729.34	23,017.56
36	05/24/2013	1,811.09	73.59	1,737.50	21,280.06
37	06/24/2013	1,811.09	70.30	1,740.79	19,539.27
38	07/24/2013	1,811.09	62.47	1,748.62	17,790.65
39	08/24/2013	1,811.09	58.77	1,752.32	16,038.33
40	09/24/2013	1,811.09	52.98	1,758.11	14,280.22
41	10/24/2013	1,811.09	45.65	1,765.44	12,514.78
42	11/24/2013	1,811.09	41.34	1,769.75	10,745.03
43	12/24/2013	1,811.09	34.35	1,776.74	8,968.29
2013 Totals		21,733.08	792.17	20,940.91	
44	01/24/2014	1,811.09	29.63	1,781.46	7,186.83
45	02/24/2014	1,811.09	23.74	1,787.35	5,399.48
46	03/24/2014	1,811.09	16.11	1,794.98	3,604.50
47	04/24/2014	1,811.09	11.91	1,799.18	1,805.32
48	05/24/2014	1,811.09	5.77	1,805.32	0.00
2014 Totals		9,055.45	87.16	8,968.29	
Grand Totals		86,932.32	6,557.66	80,374.66	

Navarro County

By:   
H.M. DAVENPORT, JR.

Title: County Judge

**EXHIBIT C TO EQUIPMENT LEASE-PURCHASE AGREEMENT  
ACCEPTANCE CERTIFICATE**

**Weich State Bank  
PO Box 129  
Welch, OK 74369**

Re: Equipment Lease-Purchase Agreement, dated May 24, 2010 (the "Agreement") between Welch State Bank ("Lessor") and Navarro County ("Lessee")

Ladies and Gentlemen:

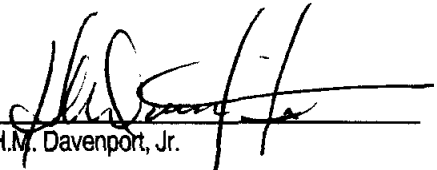
In accordance with the Agreement, the undersigned Lessee hereby certifies and represents to, and agrees with, Lessor as follows:

- (1) All of the Equipment (as defined in the Agreement) has been delivered, installed and accepted on the date hereof.
- (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 is currently maintaining the required insurance coverage.
- (4) No event or condition that constitutes, or with notice or lapse of time, or both, would constitute as Event of Default (as defined in the Agreement) exists at the date hereof.

Acceptance Date: May 24, 2010

Equipment Description: **2010 Case 580SM Backhoe S#NAC531362**

**Navarro County**

By:   
H.M. Davenport, Jr.

Title: County Judge





OFFICE OF  
**R. LOWELL THOMPSON**  
CRIMINAL DISTRICT ATTORNEY  
NAVARRO COUNTY COURTHOUSE  
300 WEST 3RD AVENUE, SUITE 203  
CORSIANA, TEXAS 75110

TELEPHONE  
903-654-3045

FAX  
903-872-0858

**EXHIBIT D TO EQUIPMENT LEASE-PURCHASE AGREEMENT**

OPINION OF COUNSEL

Welch State Bank PO  
Box 129  
Welch, OK 74369

As counsel for the Navarro County ("Lessee"), I have examined duly executed originals of the Equipment Lease-Purchase Agreement (the "Agreement") dated May 24, 2010, by and between Lessee and Welch State Bank ("Lessor"), the proceedings taken by Lessee to authorize and execute the Agreement together with other related documents, and the Constitution of the State of Texas the ("State") as presently enacted and construed. Based upon said examination and upon such other examination as I have deemed necessary or appropriate, it is my opinion that:

Lessee was duly organized and validly exists under the Constitution and laws of the State as a political subdivision of the State. The Agreement has been duly authorized, executed and delivered by Lessee, pursuant to Constitutional, statutory and/or home rule provisions which authorized this transaction and Lessee's Resolution, attached as Exhibit F to the Agreement. The Agreement is a legal, valid and binding obligation of Lessee, enforceable in accordance with its terms in the event Lessor obtains a judgment against Lessee in money damages, as a result of an event of default under the Agreement, Lessee will be obligated to pay such judgment.


Lessee has complied with applicable public bidding requirements.

To the best of our knowledge, no litigation is pending or threatened in any court or other tribunal, state or Federal, in any way affecting the validity of the Agreement.

The signatures of the officers of Lessee which appear on the Agreement are true and genuine; we know said officers and know them to hold the offices set forth below their names.

Lessee is a political subdivision within the meaning of Section 103 of the Internal Revenue Code and the related regulations and rulings.

The Lessee has, in its Resolution, designated the Agreement as a "qualified tax-exempt obligation" under Section 265 (b)(3) of the Internal Revenue Code of 1986, as amended.

Signature: 

Printed Name: R. Lowell Thompson

Address: 300 West 3<sup>rd</sup> Ave, Suite 203, Corsicana, Tx 75110

Telephone: (903) 654-3045

Date: 05/21/2010

**EXHIBIT E TO EQUIPMENT LEASE-PURCHASE AGREEMENT**

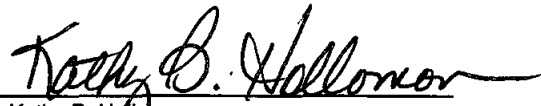
**Dated May 24, 2010, Between Welch State Bank as Lessor and Navarro County as Lessee.**

**CERTIFICATE OF CLERK OR SECRETARY OF LESSEES**

I, the undersigned, do hereby certify that I am the duly elected or appointed and acting Secretary/Clerk of the Navarro County and I do hereby certify (i) that the officer of Lessee who executed the foregoing Agreement on behalf of Lessee and whose genuine signature appears thereon, is the duly qualified and acting officer of Lessee as stated beneath his or her signature and has been authorized to execute the foregoing Agreement on behalf of the Lessee, and (ii) that the budget year of Lessee is from

October 1, 2009 to September 30, 2010.

Dated: May 24, 2010

By:   
Kathy B. Hollomon

Title: County Auditor

**EXHIBIT F TO EQUIPMENT LEASE-PURCHASE AGREEMENT**

**Dated May 24, 2010, Between Welch State Bank as Lessor and Navarro County as Lessee.**

**RESOLUTION OF GOVERNING BODY**

At a duly called meeting of the governing body of the Navarro County (the "Lessee") held on May 24, 2010, the following resolution was introduced and adopted:

RESOLVED, whereas the governing body of Lessee has determined that a true and very real need exists for the acquisition of 2010 Case 580SM Backhoe SN#NAC531362 (the "Equipment"), Lessee desires to finance the Equipment by entering into an Equipment Lease-Purchase Agreement with Welch State Bank as Lessor and Navarro County as Lessee (the "Agreement") according to the terms set forth in the Bid Proposal from Welch State Bank dated May 24, 2010, presented at the board meeting; and the Equipment will be used by Lessee for the purpose of: Road Construction, loading material, maintenance and clearing of ditches within Navarro County Precinct #2.

RESOLVED, whereas the governing body of Lessee has taken the necessary steps, including any legal bidding requirements, under applicable law to arrange for the acquisition of such equipment, RESOLVED, whereas the governing body hereby directs its legal counsel to review the Agreement and negotiate appropriate modifications to said Agreement so as to assure compliance with state law and local statutory law, prior to execution of the Agreement by those persons so authorized by the governing body for such purpose,

BE IT RESOLVED, by the governing body of Lessee that:

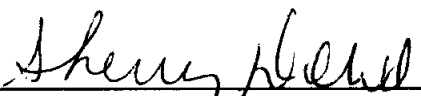
The terms of said Agreement are in the best interests of Lessee for the acquisition of such Equipment and the governing body of Lessee designates and confirms the following persons to execute and deliver, and to or attest, respectively, the Agreement and any related documents necessary to the consummation of the transactions contemplated by the Agreement. Name and Title of Persons to Execute and Attest Agreement:

H. M. Davenport, Jr., County Judge

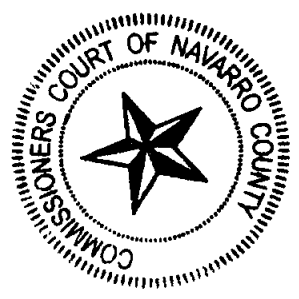
RESOLVED, Lessee covenants that it will perform all acts within its power which are or may be necessary to insure that the interest portion of the Rental Payments coming due under the Agreement will at all times remain exempt from federal income taxation under the laws and regulations of the United States of America as presently enacted and construed or as hereafter amended.

Lessee hereby certifies that it has not issued or effected the issuance of, and reasonably anticipates that it and its subordinate entities shall not issue or effect the issuance of, more than ten million dollars (\$10,000,000.00) of tax-exempt obligations during the 2010 calendar year and hereby designates the Agreement as a "qualified tax-exempt obligation", as defined by Section 265 (b)(3) of the Internal Revenue Code of 1986, as amended.

The undersigned further certifies that the above resolution has not been repealed or amended and remains in full force and effect and further certifies that the above and foregoing Agreement is the same as presented at said meeting of the governing body of Lessee.

  
\_\_\_\_\_  
Sherry Dowd, County Clerk  
Secretary/Clerk of Lessee

Attachments: Related Board Minutes



**EXHIBIT G TO EQUIPMENT LEASE-PURCHASE AGREEMENT**  
Dated May 24, 2010 Between Welch State Bank as Lessor and Navarro County as Lessee.

**INSURANCE REQUIREMENTS**

In accordance with the Equipment Lease-Purchase Agreement requirements for insurance coverage, the Lessee has instructed the insurance agent to issue:

- a. All Risk Physical Damage Insurance on the leased Equipment as defined in the Agreement, and in an amount at least equal to the then applicable Purchase Price of the Equipment, evidenced by a Certificate of Insurance and Long Form Loss Payable Clause naming Lessor "and/or its assigns" Loss Payee.
- b. Public Liability Insurance evidenced by a Certificate of Insurance naming "Lessor and/or its Assigns" as an Additional Insured and with the following minimum coverage:

Equipment Description: 2010 Case 580SM Backhoe SN# NAC531362

\$500,000.00 per person  
\$500,000.00 aggregate bodily injury liability  
\$300,000.00 property damage liability

Insurance Agent (provide name, address and telephone number):

Texas Association of Counties  
Risk Management Pool  
P O B o x 2 1 3 1  
A u s t i n , T X 7 8 7 6 8  
(512)478-8753

Proof of insurance coverage or a "Self-Insurance" Letter must be provided to Lessor prior to the time the Equipment is delivered.

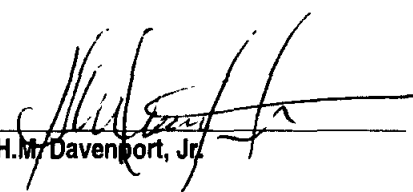
**EXHIBIT H TO EQUIPMENT LEASE-PURCHASE AGREEMENT**

Dated May 24, 2010 Between Welch State Bank as Lessor and Navarro County as Lessee.

**CERTIFICATE OF BANK ELIGIBILITY**

This Certificate of Bank Eligibility is entered into and executed by the Navarro County as Lessee, supplementing and adding to the Equipment Lease-Purchase Agreement (the "Agreement"). Lessee hereby certifies that it has not issued or effected the issuance of, and reasonably anticipates that it and its subordinate entities shall not issue or effect the issuance of, more than ten million dollars (\$10,000,000.00) of tax-exempt obligations during the 2010 calendar year and hereby designates the Agreement as a "qualified tax-exempt obligation", as defined by Section 256 (b)(3) of the Internal Revenue Code of 1986, as amended.

Lessee: Navarro County

By:   
H.M. Davenport, Jr.

Title: County Judge

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**INVOICE INSTRUCTIONS**

Please fill in below the address that invoices for the payments should be sent to:

Person/Department: ACCOUNTS PAYABLE

Name of Lessee: NAVARRO COUNTY

Street/P.O. Box 300 W. THIRD AVE., SUITE 10

City, State, Zip CORSICANA, TEXAS 75110

Equipment Lease-Purchase Agreement between Welch State Bank as Lessor and Navarro County as Lessee dated May 24, 2010

Equipment Description: 2010 Case 580SM Backhoe SN# NAC531362

Purchase Order or other information that must be on the invoice:

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Name and phone number of person to contact if payment is not received by due date:

Name: JEANNIE KEENEY

Phone Number ( ) 903-654-3095

952

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

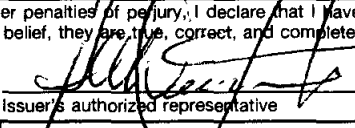
OMB No. 1545-0720


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 West 3rd Avenue</b>		Room/suite <b>10</b>	
4 City, town, or post office, state, and ZIP code <b>Corsicana, TX 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>H.M. Davenport, Jr., County Judge</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 checked="" type="checkbox"/> or a consolidated return <input type="checkbox"/>	
8a Issue price of obligation(s) (see instructions)	8a <b>80,374 66</b>
b Issue date (single issue) or calendar date (consolidated). Enter date in mm/dd/yyyy format (for example, 01/01/2009) (see instructions) ►	
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 <b>80,374 66</b>
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: <b>Welch State Bank</b>	
13 Vendor's or bank's employer identification number: <b>73 0504830</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.

**Sign Here**  **5-24-10** **H.M. Davenport, Jr.**  
 Issuer's authorized representative Date Type or print name and title

<b>Paid Preparer's Use Only</b>	Preparer's signature 	Date	Check if self-employed <input type="checkbox"/>	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:



# TEXAS ASSOCIATION of COUNTIES 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 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 W 3rd Ave Ste 14  
Corsicana, TX 75110-4677

Coverage Agreement No.: PR 1750 2009 07 01

Coverage Period: May 17, 2010 to July 01, 2010

### PROPERTY

Includes the following coverages:  All risk of physical loss subject to coverage terms, exclusions and conditions.  [X] Actual cash value  Deductible: \$5,000	2010 CASE 580SM BACKHOE #NAC531362
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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

Welch State Bank PO Box 129 Welch, OK 74369	Texas Association of Counties 1210 San Antonio St. Austin, TX 78701-1834 (512) 478-8753 <i>Ally</i> Certificate Issued: May 18, 2010
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TAC 1/08  
Board Approved 12/1/2006