

NAVARRO COUNTY COMMISSIONER'S COURT

A REGULAR MEETING OF THE NAVARRO COUNTY COMMISSIONER'S COURT WAS HELD ON MONDAY THE, 28TH DAY OF JUNE, 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. 10:03 A.M. MOTION TO CONVENE BY HERRINGTON SEC BY OLSEN
ALL VOTED AYE MOTION CARRIED
2. OPENING PRAYER BY COMMISSIONER HOLT
3. PLEDGE OF ALLEGIANCE
4. PUBLIC COMMENTS-LARRY BAILEY-IN SUPPORT OF NAVARRO
GENERATING, LLC

CONSENT AGENDA

MOTION TO APPROVE CONSENT AGENDA ITEMS 5 - 7 BY HOLT SEC
BY HERRINGTON
ALL VOTED AYE MOTION CARRIED

5. APPROVE THE MINUTES FROM THE PREVIOUS MEETING OF JUNE
2ND, 2010, JUNE 14, 2010, AND JUNE 17TH, 2010,
6. APPROVE AND PAY BILLS AS SUBMITTED BY COUNTY AUDITOR
7. APPROVE REPLAT OF LOTS 2 & 3 OF KIRK POINT BY DON
MAGNUSON

REGULAR AGENDA

8. MOTION TO APPROVE RESOLUTION OF THE COUNTY
COMMISSIONER'S COURT OF THE COUNTY OF NAVARRO TEXAS,
REQUESTING THE TEXAS COMMISSION ON ENVIRONMENTAL
QUALITY APPROVE THE APPLICATION BY NAVARRO GENERATING,
LLC FOR A NEW TEXAS POLLUTANT DISCHARGE ELIMINATION
SYSTEM PERMIT NO. WQ0004870000; TCEQ DOCKET NO. 2010-0303-
IWD BY WARREN SEC BY HOLT **TO WIT PG 9-10**
ALL VOTED AYE MOTION CARRIED

9. MOTION TO APPROVE TAX ABATEMENT FOR RUSSELL STOVER CANDIES –THE TAX ABATEMENT IS FOR THE PRIVATE RESERVE PRODUCT LINE PROJECT BY HOLT SEC BY WARREN
ALL VOTED AYE MOTION CARRIED **TO WIT PG 11-20**
 10. MOTION TO APPROVE TAX ABATEMENT FOR RUSSELL STOVER CANDIES-THE TAX ABATEMENT IS FOR THE CRÈME EGG PROJECT BY OLSEN SEC BY HERRINGTON
ALL VOTED AYE MOTION CARRIED **TO WIT PG 21-30**
 11. MOTION TO APPROVE CANVASSING THE VOTES FOR JUNE 22, 2010 STATE SENATOR, DISTRICT 22 RUNOFF BY HERRINGTON SEC BY OLSEN
ALL VOTED AYE MOTION CARRIED **TO WIT PG 31**
 12. MOTION TO APPROVE GRANT OF EASEMENT FOR TEXAS HISTORIC COURTHOUSE PRESERVATION PROGRAM BY HERRINGTON SEC BY WARREN
ALL VOTED AYE MOTION CARRIED **TO WIT PG 32-46**
 13. MOTION TO APPROVE CONTRACT BETWEEN NAVARRO COUNTY AND TEXAS DEPARTMENT OF RURAL AFFAIRS FOR COMMUNITY DEVELOPMENT PROGRAM AND FOR THE APPROVAL OF REQUEST FOR RELEASE OF FUNDS AND CERTIFICATION BY WARREN SEC BY OLSEN
ALL VOTED AYE MOTION CARRIED **TO WIT PG 47-77**
 14. MOTION TO APPROVE TREASURER’S REPORT FROM RUBY COKER BY HERRINGTON SEC BY WARREN
ALL VOTED AYE MOTION CARRIED **TO WIT PG 78**
 15. MOTION TO APPROVE PURCHASING MOWER TRACTOR FOR PRECINCT 1 BY HERRINGTON SEC BY WARREN
ALL VOTED AYE MOTION CARRIED
 16. MOTION TO APPROVE A SALVAGE YARD PERMIT FOR EULOGIO PEREZ BY WARREN SEC BY HERRINGTON
ALL VOTED AYE MOTION CARRIED
 17. MOTION TO ADJOURN BY HOLT SEC BY HERRINGTON
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 JUNE 28, 2010.

SIGNED 28 DAY OF JUNE, 2010.


SHERRY DOWD, COUNTY CLERK



RESOLUTION

A RESOLUTION OF THE COUNTY COMMISSIONER'S COURT OF THE COUNTY OF NAVARRO TEXAS, REQUESTING THE TEXAS COMMISSION ON ENVIRONMENTAL QUALITY APPROVE THE APPLICATION BY NAVARRO GENERATING, LLC FOR A NEW TEXAS POLLUTANT DISCHARGE ELIMINATION SYSTEM PERMIT NO. WQ000487000 TCEQ DOCKET NO. 2010-0403-IWD.

WHEREAS, the Navarro County Commissioner's Court supports conditions that foster, advance and improve the economic well being of the residents of Navarro County; and

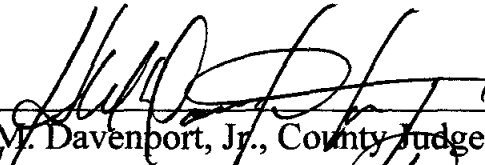
WHEREAS, Navarro Generating, LLC (Plant) proposes to construct and operate a gas-fired electric power generating plant locating in the County of Navarro, Texas and the issuance of a Texas Pollutant Discharge Elimination System Permit by the Texas Commission on Environmental Quality (TCEQ) is a requisite condition for this plant; and

WHEREAS, the Commissioner's Court for the County of Navarro, Texas (County) has previously designated the proposed site for the Plant as a Reinvestment Zone for the construction and operation of a gas-fired electric power generating plant; and


WHEREAS, the primary purpose and objective for the County designating the proposed site for the Plant as a Reinvestment Zone is for the construction and operation of a gas-fired electric power generating plant for the promotion of quality development in all parts of the County and to an ongoing improvement in the quality of life for its citizens.

NOW, THEREFORE, BE IT RESOLVED BY THE COUNTY COMMISSIONER'S COURT FOR THE COUNTY OF NAVARRO, TEXAS, that it fully supports the issuance by the Texas Commission on Environmental Quality of a Texas Pollutant Discharge Elimination System Permit (e.g. WQ000487000; TCEQ Docket No. 2010-0403-IWD) to Navarro Generating, LLC, for the planned construction and operation of a gas-fired electric power generating plant to be located in Navarro County, Texas.

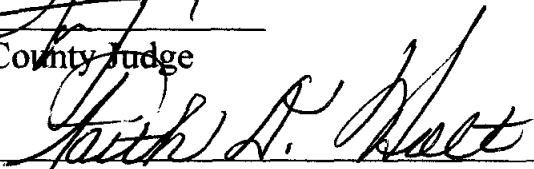
PASSED and APPROVED on this the 28th day of **June, 2010**.



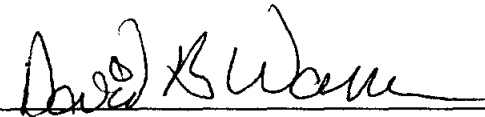
H. M. Davenport, Jr., County Judge



Kit Herrington, Commissioner Pct 1



Faith Holt, Commissioner Pct 2




David Warren, Commissioner Pct 3



James Olsen, Commissioner Pct 4



ATTEST:


Sherry Dowd, County Clerk

RESOLUTION

A RESOLUTION OF THE COUNTY OF NAVARRO, TEXAS, APPROVING THE TERMS AND CONDITIONS OF AGREEMENT BY AND BETWEEN THE COUNTY OF NAVARRO, TEXAS AND RUSSELL STOVER CANDIES, INC, FOR A COMMERCIAL/INDUSTRIAL TAX ABATEMENT, AND AUTHORIZING ITS EXECUTION BY THE COUNTY JUDGE; AND PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, the Navarro County Commissioner's Court has been presented a proposed tax abatement agreement between the County of Navarro, Texas and Russell Stover Candies, Inc. providing for a commercial/industrial tax abatement for certain improvements, a copy of which is attached hereto and incorporated herein by reference (hereinafter called "AGREEMENT"); and

WHEREAS, upon full review and consideration of AGREEMENT and all matters attendant and related thereto, the Navarro County Commissioner's Court is of the opinion that the terms and conditions thereof should be approved, and that the County Judge shall be authorized to execute it on behalf of Navarro County;

NOW, THEREFORE, BE IT RESOLVED BY THE NAVARRO COUNTY COMMISSIONER'S COURT:

Section 1. The terms and conditions of the proposed AGREEMENT, having been reviewed by the Navarro County Commissioner's Court and found to be acceptable and in the best interests of the Navarro County and its citizens, are hereby in all things approved.

Section 2. The County Judge is hereby authorized to execute the AGREEMENT and all other documents in connection therewith on behalf of Navarro County, substantially according to the terms and conditions set forth in the AGREEMENT.

Section 3: That this approval and execution of the AGREEMENT on behalf of Navarro County is not conditional upon approval and execution of any other tax abatement agreement by any other taxing entity.


Section 4: This Resolution shall become effective from and after its passage.

PASSED and APPROVED on this the 28th day of June, 2010.

ATTEST:



Sherry Dowd, County Clerk



H. M. Davenport, Jr, County Judge



RUSSELL STOVER CANDIES, INC.
PRIVATE RESERVE PROJECT
\$1,033,651.00

STATE OF TEXAS §

COUNTY OF NAVARRO §

AGREEMENT

This Agreement is entered into by and between the Navarro County, Texas, duly acting herein by and through its County Judge, hereinafter referred to as COUNTY; and Russell Stover Candies, Inc. duly acting by and through its Representative, hereinafter referred to as OWNER.

WITNESSETH:

WHEREAS, on the 13th day of June, 2001, the City Council of the City of Corsicana, Texas, passed an ordinance establishing an Enterprise Zone in the City of Corsicana, Texas for commercial/industrial tax abatement, hereinafter referred to as ORDINANCE, as authorized by Chapter 312, Texas Tax Code; and

WHEREAS, the COUNTY has previously adopted a Tax Abatement Policy; and

WHEREAS, the Tax Abatement Policy constitutes appropriate guidelines and criteria governing tax abatement agreements to be entered into by the COUNTY as required by Chapter 312, Texas Tax Code; and

WHEREAS, the COUNTY has adopted a resolution stating that it elects to be eligible to participate in tax abatement; and

WHEREAS, in order to maintain and/or enhance the commercial/industrial economic and employment base of the Navarro County area to the long term interest and benefit of the COUNTY; and

WHEREAS, the contemplated use of the property, as hereinafter defined, the contemplated improvements to the property in the amount as set forth in this AGREEMENT and the other terms hereof are consistent with encouraging development of said Enterprise Zone in accordance with the purposes for its creation and are in compliance with the COUNTY's Tax Abatement Policy;

NOW THEREFORE, the parties hereto do mutually agree as follows:

§1. The property to be the subject of this AGREEMENT shall be that property described by metes and bounds and map attached hereto as EXHIBITS "A" and "B" and made a part hereof and shall be hereinafter referred to as PROPERTY.

§2. The OWNER shall make improvements to the property and personal property acquisitions as

specifically described in EXHIBIT "C" (hereinafter referred to as IMPROVEMENTS) with a total taxable valuation of one million thirty three thousand six hundred fifty one and no/100 dollars (\$1,033,651) in personal property improvements to be added (hereinafter collectively referred to as INVESTMENT); and, create and maintain a minimum of twenty five (25) new, full time jobs; IMPROVEMENTS shall be substantially complete on or about December 31, 2010; provided, that OWNER shall have such additional time to complete the IMPROVEMENTS as may be required in the event of "force majeure" if OWNER is diligently and faithfully pursuing completion of the IMPROVEMENTS. For this purpose, "force majeure" shall mean any contingency or cause beyond the reasonable control of OWNER including, without limitation, acts of God or the public enemy, war, riot, civil commotion, insurrection, governmental or de facto governmental action (unless caused by acts or omissions of OWNER), fires, explosions or floods, and strikes. The date of completion of the IMPROVEMENTS shall be defined as the date a Certificate of Occupancy is issued by the City of Corsicana.

§3. The OWNER agrees and covenants that it will diligently and faithfully, in a good and workmanlike manner, pursue the completion of the IMPROVEMENTS as a good and valuable consideration of this AGREEMENT. OWNER further covenants and agrees that all construction of the IMPROVEMENTS will be in accordance with all applicable State and local laws, codes and regulations or valid waiver thereof.

§4. In the event that OWNER fails to complete or maintain (a) the proposed total taxable valuation of one million thirty three thousand six hundred fifty one and no/100 dollars (\$1,033,651) in personal property improvements or, (b) OWNER does not create and maintain the required number of twenty five (25) full time jobs; or, (c) OWNER allows its ad valorem taxes owed the COUNTY to become delinquent and fails to timely and properly follow the legal procedures for protest and/or contest of any such ad valorem taxes; or (d) OWNER breaches any of the terms or conditions of this AGREEMENT, then this AGREEMENT shall be in default. In the event that the OWNER defaults in its performance of either (a), (b), (c), or (d), above, then the COUNTY shall give the OWNER written notice of such default and if the OWNER has not cured such default within thirty (30) days of said written notice, or, if such default cannot be cured by the payment of money and cannot with due diligence be cured within a 90-day period owing to cause beyond the control of the OWNER, this AGREEMENT may be terminated by the COUNTY. Notice shall be in writing and shall be delivered by personal delivery or certified mail to the President/Owner at its Corporation Office address of record. As liquidated damages in the event of default, all taxes which otherwise would have been paid to the COUNTY without the benefit of abatement (interest will be charged at the statutory rate for delinquent taxes as determined by Section 33.01 of the Property Tax Code of the State of Texas) will become a debt to the COUNTY and shall be due, owing and paid to the COUNTY within sixty (60) days of the expiration of the above mentioned applicable cure period as the sole remedy of the COUNTY subject to any and all lawful offsets, settlements, deductions, or credits to which OWNER may be entitled. The parties acknowledge that actual damages in the event of default and termination would be speculative and difficult to determine.

§5. It is understood and agreed among the parties that the PROPERTY, also known as the Enterprise Zone and Reinvestment Zone shall be appraised at market value for the purposes of property tax

NAVARRO COUNTY, TEXAS
 RUSSELL STOVER TAX ABATEMENT # 1
 PRIVATE RESERVE PRODUCT LINE PROJECT (\$1,033,651)
 JUNE 2010

assessment effective January 1, 2011, and continued at market value until the expiration of this AGREEMENT.

§6. The COUNTY represents and warrants that the PROPERTY does not include any property that is owned by a member of the Navarro County Commissioner's Court approving, or having responsibility for the approval of this AGREEMENT.

§7. The terms and conditions of the AGREEMENT are binding upon the successors and assigns of all parties hereto. However, this AGREEMENT cannot be assigned by OWNER other than to a wholly-owned subsidiary of OWNER unless written permission is first granted by the COUNTY, which permission shall not be unreasonably withheld.

§8. It is understood and agreed between the parties that the OWNER, in performing its obligations hereunder, is acting independently, and the COUNTY assumes no responsibility or liability in connection therewith to third parties and OWNER agrees to indemnify and hold harmless the COUNTY therefrom; it is further understood and agreed among the parties that the COUNTY, in performing its obligations hereunder, is acting independently, and the OWNER assumes no responsibility or liability in connection therewith to third parties and the COUNTY agrees to indemnify and hold harmless the OWNER therefrom.

§9. The OWNER further agrees that the COUNTY, its agents and employees, shall have reasonable right of access to the PROPERTY to inspect the IMPROVEMENTS in order to ensure that the construction of the IMPROVEMENTS is in accordance with this AGREEMENT and all applicable State and local laws and regulations or valid waiver thereof. After completion of the IMPROVEMENTS, the COUNTY shall have the continuing right to inspect the PROPERTY to ensure that it is thereafter maintained and operated in accordance with this AGREEMENT during the term of this AGREEMENT.

§10. Subject to the terms and conditions of this agreement, and subject to the rights of holders of any outstanding bonds of the COUNTY, a portion of ad valorem real property taxes and certain taxes including personal property in place on January 1st of each year from the PROPERTY taxes otherwise owed to the COUNTY shall be abated. Said real property abatement shall be an amount equal to fifty percent (50%) per year for a ten (10) year term of the taxes assessed upon the increased value of the eligible PROPERTY over the value in the year in which the project was begun in accordance with the terms of this AGREEMENT and all applicable State and local regulations or valid waiver thereof; provided that the OWNER shall have the right to protest and/or contest any assessment of the PROPERTY over and above the minimum INVESTMENT as required by this AGREEMENT. Said abatement(s) shall extend for a period of ten (10) years as applicable to real property and personal property tax abatement with tax abatement beginning on January 1, 2011, and shall remain in effect as long as the OWNER creates and maintains the minimum proposed total taxable valuation of one million thirty three thousand six hundred fifty one and no/100 dollars (\$1,033,651) in personal property improvements in personal property improvements to be added (hereinafter collectively referred to as INVESTMENT); and, create and maintain a minimum of twenty five (25) new, full time jobs; IMPROVEMENTS shall be substantially complete on or about December 31, 2010.

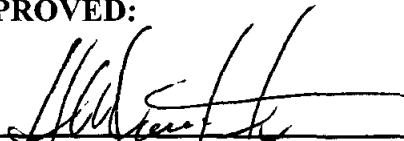
§11. This AGREEMENT was authorized by resolution of the Navarro County Commissioner's Court at its regularly scheduled meeting on the 28th day of June, 2010, authorizing the County Judge to execute the AGREEMENT on behalf of the COUNTY.

§12. This AGREEMENT was entered into by Russell Stover Candies, Inc. Corporation pursuant to authority granted by its Board of Directors/Owner on the 29 day of May, 2010.

§13. This AGREEMENT shall constitute a valid and binding agreement between the COUNTY and OWNER when executed in accordance herewith, regardless of whether any other taxing unit executes a similar agreement for tax abatement.

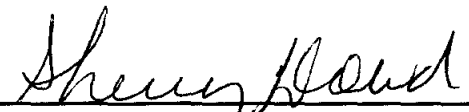
This AGREEMENT is performable in Navarro County, Texas, witness our hands this 28th day of June, 2010.

APPROVED:



H. M. Davenport, Jr.
County Judge

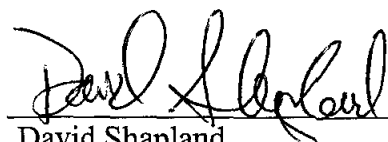
ATTEST:



Sherry Dowd, County Clerk



RUSSELL STOVER CANDIES, INC.

By: 

David Shapland
Chief Financial Officer
Russell Stover Candies, Inc. Corporation

2010 APPLICATION FOR TAX ABATEMENT

Instructions: Please print or type. Submit the completed and signed original copy of the 2010 Application for Tax Abatement with attachments to: The City of Corsicana Economic Development Department, 200 North 12th Street, Corsicana, Texas 75110

1. Date

2. Name of Firm, Partnership or Corporation and mailing address

Please print or type
Russell Stover Candles, Inc.
1997 Pecan Delight Avenue
Corsicana, TX 75112

2a. Have you received a previous tax abatement from the City of Corsicana? (YES/NO)

2b. If yes, when?

3. Number of new full time employees to be added
*(*A minimum of 20 new, full-time [e.g. 40 hours/week] jobs are required.)*

4. Number of acres of property to be developed

4a. Plat of property and Development or Site Plan attached? (YES/NO)
(Official Property Survey with metes and bounds required)

5. Estimated value of existing real property to be developed \$

6. Estimated value of real property improvements \$
(A minimum \$1,000,000.00 investment required, unless otherwise approved by City Council)

7. Estimated value of existing inventory \$

8. Estimated value of inventory to be added \$

9. Estimated value of existing personal property \$

10. Estimated value of taxable personal property improvements \$

11. Total estimated value of new taxable investment to be made (total of Items # 6, 8 & 10) \$

12. Description of real property improvements to be made:

12. Description of Public Services available for project development and new facilities and / or services required.

Water:	
Wastewater:	
Railways:	
Natural Gas:	
Electricity:	

13. One Year Development Schedule for all improvements.

1st Quarter:	
2nd Quarter:	
3rd Quarter:	
4th Quarter:	

* Qualification for pro-rating new employees is determined on a case-by-case basis.

2010 APPLICATION FOR TAX ABATEMENT (Page 2)

14. Expected impact on the Corsicana Independent School District.

\$13262 (@ CISD tax rate of \$1.2830 per \$100 estimated value)

15. Expected benefit to the local economy.

16. Estimated annual payroll of new employees.

\$625,000

17. Description of product to be manufactured or distributed.

Russell Stover Private Reserve Product Line

18. Expected productive life of all real property improvements.

10 years

19. Identification and quantity of all Pollutants and Emissions:

TYPE	QUANTITY
AIR:	
NOISE:	
SOLID WASTE:	
WASTEWATER:	

20. Certification of no materially adverse environmental impact as a result of the improvements and operations

21. Project in compliance with relevant zoning requirements.

22. Reasonable proof of financial ability.

23. References from past communities, if applicable.

I declare that the information in this document and any attachments is true and correct to the best of my knowledge and belief

sign here > *David S. Shapland*
Phone: 254-855-1791 Date: 5/28/10

Submitted By	(Please Print)
Name:	David S. Shapland
Title:	Chief Financial Officer
Date:	4/8/2010

Received by the City of Corsicana	
Name:	
Title:	
Date:	

For assistance in completing this form call the City of Corsicana, Texas - 903.654.4806. An Equal Opportunity Employer.

The City of Corsicana Economic Development Department
200 North 12th Street, Corsicana, Texas 75110

Russell Stover

CANDIES

18

Whitman's
PANGBURN'S®

April 8, 2010

Ms. Connie Standridge
City Manager
City of Corsicana, Texas
200 N. 12th Street
Corsicana, Texas 75110

Dear Ms. Standridge:

The purpose of this correspondence is to provide assurances that the planned \$1,033,651 (approximate) expansion (Private Reserve product line project) of Russell Stover Candies, Inc. , Corsicana, Texas location will have no unacceptable environmental impact according to existing Environmental Protection Agency (EPA), Texas Commission on Environmental Quality (TCEQ), and the City of Corsicana, Texas codes, guidelines, and environmental regulations.

Sincerely,



David Shapland
Chief Financial Officer

4900 Oak Street • Kansas City, Missouri 64112-2702 • Telephone (816) 842-9240 Fax (816) 561-4350 • www.russellstover.com

☎ 1997 Pecan Delight Avenue • Corsicana, TX 75109
☎ 1995 Marshmallow Lane • Iola, KS 66749

☎ 2200 Stover Avenue • Montrose, CO 81401
☎ 1993 Caramel Boulevard • Abilene, KS 67410

53.494 acres,
 J. Hamilton, A-381
 & J. Peoples, A-9,
 Navarro County, Texas

EXHIBIT "A"

All that certain tract or parcel of land situated within the John Hamilton survey, A-381 and the Jehu Peoples Survey, A-9 and being a part of a called 35.0 acre tract as described by Deed from James W. Fair and C.F. Dominy to Hable Realty Corporation dated July 1, 1980 and recorded in Volume 939 on Page 218 in the Deed Records of Navarro County, Texas, and being part of a called 24.947 acre tract as described by Deed from Calvin Clyde, Jr. to Hable Realty Corporation dated September 23, 1981 and recorded in Volume 969 on Page 311 in said Deed records, and being more completely described as follows:

BEGINNING at a 1/2" iron rod set for corner in the Southwest right-of-way line of U.S. Highway No. 287 and in the Northeast line of the above referenced 35.0 acre tract and being South 31°42'06" East, a distance of 80.00 feet from the North corner of same, said beginning also being the East corner of a called 0.762 acre street easement as recorded in Volume 1252 on Page 349 in the above mentioned Deed Records;

THENCE South 31°42'06" East, with the Northeast line of said 35.0 acre tract, same being the Southwest right-of-way line of U.S. Highway No. 287, passing the East corner of said 35.0 acre tract, same being the North corner of the aforementioned 24.947 acre tract, continuing with said right-of-way and the Northeast line of said 24.947 acre tract, a total distance of 1447.77 feet to a 5/8" iron rod found in same and being the beginning of a curve to the left;

THENCE with said right-of-way and Northeast line of said 24.947 acre tract and along said curve having a Delta of 02°05'54", a Radius of 5780.00 feet, a Tangent of 105.86 feet, a Chord of South 32°45'03" East, - 211.68 feet, a distance of 211.69 feet to a 1/2" iron rod set in same, and being the North corner of a called 0.055 acre tract as described by Deed from Hable Realty Corp. to Larry M. Walther et al, dated July 8, 1994 and recorded in Volume 1288 on Page 779 in the Deed Records of Navarro County, Texas;

THENCE South 59°25'39" West, with the Northwest line of said 0.055 acre tract, a distance of 59.23 feet to a 1/2" iron rod found for the West corner of the same;

THENCE South 33°07'30" East, with the Southwest line of said 0.055 acre tract, a distance of 40.37 feet to a 1/2" iron rod set for the South corner of same and being in the Southeast line of said 24.947 acre tract, and the Northwest line of a called 15.006 acre tract as recorded in Volume 945 on Page 872 in said Deed Records;

THENCE South 59°11'37" West, with said common line, a distance of 1116.61 feet to a 2" iron pipe found for the occupied West corner of said 15.006 acre tract same being an Easterly

ell corner of a called 102.770 acre tract as described in Volume 945 on Page 872 in said Deed Records;

THENCE South 60°35'36" West, with the Southeast line of said 24.947 acre tract and on Easterly Northwest line of said 102.770 acre tract, a distance of 321.99 feet to a 5/8" iron rod found for the occupied South corner of said 24.947 acre tract and an inner ell corner of said 102.770 acre tract;

THENCE North 30°02'26" West, with the Southwest line of said 24.947 acre tract, a Northerly Northeast line of said 102.770 acre tract, a distance of 727.93 feet to a 5/8" iron rod found for the West corner of said 24.947 acre tract, same being the South corner of the aforementioned 35.0 acre tract;

THENCE North 29°35'54" West, with the Southwest line of said 35.00 acre tract and said Northeast line of said 102.770 acre tract, a distance of 802.09 feet to a 5/8" iron rod found in same, and being the south corner of a called 20.00 acre tract as described by Deed from Hable Realty Corp. to V.F. Factory Outlet, Inc. dated February 8, 1989 and recorded in Volume 1177 on Page 144 in said Deed Records;

THENCE North 58°18'03" East, with the Southeast line of said 20.00 acre tract, a distance of 1026.75 feet to a 5/8" iron rod found for the East corner of same;

THENCE North 31°42'04" West, with the Northeast line of said 20.00 acres tract, a distance of 141.91 feet to a 5/8" iron rod found in same, and being the South corner of the aforementioned 0.762 acre street easement;

THENCE North 58°41'06" East, with the Southeast line of said street easement, a distance of 415.25 feet to the place of beginning and containing 53.494 acres of land, more or less.



State of Texas)
County of Navarro)
I, James F. Dunbar, Clerk of the County Court in and for Navarro County, Texas, do hereby certify that this instrument was FILED FOR RECORD and RECORDED in the volume and page of the record and at the time and date stamped hereon by me.

James F. Dunbar
County Clerk of Navarro County, Texas

RECEIVED TIME JUL 13 2:56PM

PRINT TIME JUL 13 2:59PM

RESOLUTION

A RESOLUTION OF THE COUNTY OF NAVARRO, TEXAS, APPROVING THE TERMS AND CONDITIONS OF AGREEMENT BY AND BETWEEN THE COUNTY OF NAVARRO, TEXAS AND RUSSELL STOVER CANDIES, INC, FOR A COMMERCIAL/INDUSTRIAL TAX ABATEMENT, AND AUTHORIZING ITS EXECUTION BY THE COUNTY JUDGE; AND PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, the Navarro County Commissioner’s Court has been presented a proposed tax abatement agreement between the County of Navarro, Texas and Russell Stover Candies, Inc. providing for a commercial/industrial tax abatement for certain improvements, a copy of which is attached hereto and incorporated herein by reference (hereinafter called “AGREEMENT”); and

WHEREAS, upon full review and consideration of AGREEMENT and all matters attendant and related thereto, the Navarro County Commissioner’s Court is of the opinion that the terms and conditions thereof should be approved, and that the County Judge shall be authorized to execute it on behalf of Navarro County;

NOW, THEREFORE, BE IT RESOLVED BY THE NAVARRO COUNTY COMMISSIONER’S COURT:

Section 1. The terms and conditions of the proposed AGREEMENT, having been reviewed by the Navarro County Commissioner’s Court and found to be acceptable and in the best interests of the Navarro County and its citizens, are hereby in all things approved.


Section 2. The County Judge is hereby authorized to execute the AGREEMENT and all other documents in connection therewith on behalf of Navarro County, substantially according to the terms and conditions set forth in the AGREEMENT.

Section 3: That this approval and execution of the AGREEMENT on behalf of Navarro County is not conditional upon approval and execution of any other tax abatement agreement by any other taxing entity.

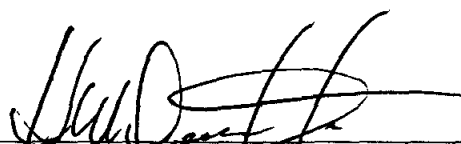
Section 4: This Resolution shall become effective from and after its passage.

PASSED and APPROVED on this the 28th day of June, 2010.

ATTEST:



Sherry Dowd, County Clerk



H. M. Davenport, Jr, County Judge



STATE OF TEXAS §

COUNTY OF NAVARRO §

AGREEMENT

This Agreement is entered into by and between Navarro County, Texas duly acting herein by and through its County Judge, hereinafter referred to as COUNTY; and Russell Stover Candies, Inc. duly acting by and through its Representative, hereinafter referred to as OWNER.

WITNESSETH:

WHEREAS, on the 13th day of June, 2001, the City Council of the City of Corsicana, Texas, passed an ordinance establishing an Enterprise Zone in the City of Corsicana, Texas for commercial/industrial tax abatement, hereinafter referred to as ORDINANCE, as authorized by Chapter 312, Texas Tax Code; and

WHEREAS, the COUNTY has previously adopted a Tax Abatement Policy; and

WHEREAS, the Tax Abatement Policy constitutes appropriate guidelines and criteria governing tax abatement agreements to be entered into by the COUNTY as required by Chapter 312, Texas Tax Code; and

WHEREAS, the COUNTY has adopted a resolution stating that it elects to be eligible to participate in tax abatement; and

WHEREAS, in order to maintain and/or enhance the commercial/industrial economic and employment base of the Navarro County area to the long term interest and benefit of the COUNTY; and

WHEREAS, the contemplated use of the property, as hereinafter defined, the contemplated improvements to the property in the amount as set forth in this AGREEMENT and the other terms hereof are consistent with encouraging development of said Enterprise Zone in accordance with the purposes for its creation and are in compliance with the COUNTY's Tax Abatement Policy;

NOW THEREFORE, the parties hereto do mutually agree as follows:

§1. The property to be the subject of this AGREEMENT shall be that property described by metes and bounds and map attached hereto as EXHIBITS "A" and "B" and made a part hereof and shall be hereinafter referred to as PROPERTY.

§2. The OWNER shall make improvements to the property and personal property acquisitions as specifically described in EXHIBIT "C" (hereinafter referred to as IMPROVEMENTS) with a total taxable valuation of one million two hundred fifteen thousand five hundred eighty seven and no/100 dollars (\$1,215,587) in personal property improvements to be added (hereinafter collectively referred to as INVESTMENT); and, create and maintain a minimum of thirty (30) new, full time jobs; IMPROVEMENTS shall be substantially complete on or about December 31, 2010; provided, that OWNER shall have such additional time to complete the IMPROVEMENTS as may be required in the event of "force majeure" if OWNER is diligently and faithfully pursuing completion of the IMPROVEMENTS. For this purpose, "force majeure" shall mean any contingency or cause beyond the reasonable control of OWNER including, without limitation, acts of God or the public enemy, war, riot, civil commotion, insurrection, governmental or de facto governmental action (unless caused by acts or omissions of OWNER), fires, explosions or floods, and strikes. The date of completion of the IMPROVEMENTS shall be defined as the date a Certificate of Occupancy is issued by the City of Corsicana.

§3. The OWNER agrees and covenants that it will diligently and faithfully, in a good and workmanlike manner, pursue the completion of the IMPROVEMENTS as a good and valuable consideration of this AGREEMENT. OWNER further covenants and agrees that all construction of the IMPROVEMENTS will be in accordance with all applicable State and local laws, codes and regulations or valid waiver thereof.

§4. In the event that OWNER fails to complete or maintain (a) the proposed total taxable valuation of one million two hundred fifteen thousand five hundred eighty seven and no/100 dollars (\$1,215,587) in personal property improvements or, (b) OWNER does not create and maintain the required number of thirty (30) full time jobs; or, (c) OWNER allows its ad valorem taxes owed the COUNTY to become delinquent and fails to timely and properly follow the legal procedures for protest and/or contest of any such ad valorem taxes; or (d) OWNER breaches any of the terms or conditions of this AGREEMENT, then this AGREEMENT shall be in default. In the event that the OWNER defaults in its performance of either (a), (b), (c), or (d), above, then the COUNTY shall give the OWNER written notice of such default and if the OWNER has not cured such default within thirty (30) days of said written notice, or, if such default cannot be cured by the payment of money and cannot with due diligence be cured within a 90-day period owing to cause beyond the control of the OWNER, this AGREEMENT may be terminated by the COUNTY. Notice shall be in writing and shall be delivered by personal delivery or certified mail to the President/Owner at its Corporation Office address of record. As liquidated damages in the event of default, all taxes which otherwise would have been paid to the COUNTY without the benefit of abatement (interest will be charged at the statutory rate for delinquent taxes as determined by Section 33.01 of the Property Tax Code of the State of Texas) will become a debt to the COUNTY and shall be due, owing and paid to the COUNTY within sixty (60) days of the expiration of the above mentioned applicable cure period as the sole remedy of the COUNTY subject to any and all lawful offsets, settlements, deductions, or credits to which OWNER may be entitled. The parties acknowledge that actual damages in the event of default and termination would be speculative and difficult to determine.

§5. It is understood and agreed among the parties that the PROPERTY, also known as the Enterprise Zone and Reinvestment Zone shall be appraised at market value for the purposes of property tax assessment effective January 1, 2011, and continued at market value until the expiration of this AGREEMENT.

§6. The COUNTY represents and warrants that the PROPERTY does not include any property that is owned by a member of the Navarro County Commissioner's Court approving, or having responsibility for the approval of this AGREEMENT.

§7. The terms and conditions of the AGREEMENT are binding upon the successors and assigns of all parties hereto. However, this AGREEMENT cannot be assigned by OWNER other than to a wholly-owned subsidiary of OWNER unless written permission is first granted by the COUNTY, which permission shall not be unreasonably withheld.

§8. It is understood and agreed between the parties that the OWNER, in performing its obligations hereunder, is acting independently, and the COUNTY assumes no responsibility or liability in connection therewith to third parties and OWNER agrees to indemnify and hold harmless the COUNTY therefrom; it is further understood and agreed among the parties that the COUNTY, in performing its obligations hereunder, is acting independently, and the OWNER assumes no responsibility or liability in connection therewith to third parties and the COUNTY agrees to indemnify and hold harmless the OWNER therefrom.

§9. The OWNER further agrees that the COUNTY, its agents and employees, shall have reasonable right of access to the PROPERTY to inspect the IMPROVEMENTS in order to ensure that the construction of the IMPROVEMENTS is in accordance with this AGREEMENT and all applicable State and local laws and regulations or valid waiver thereof. After completion of the IMPROVEMENTS, the COUNTY shall have the continuing right to inspect the PROPERTY to ensure that it is thereafter maintained and operated in accordance with this AGREEMENT during the term of this AGREEMENT.

§10. Subject to the terms and conditions of this agreement, and subject to the rights of holders of any outstanding bonds of the COUNTY, a portion of ad valorem real property taxes and certain taxes including personal property in place on January 1st of each year from the PROPERTY taxes otherwise owed to the COUNTY shall be abated. Said real property abatement shall be an amount equal to fifty percent (50%) per year for a ten (10) year term of the taxes assessed upon the increased value of the eligible PROPERTY over the value in the year in which the project was begun in accordance with the terms of this AGREEMENT and all applicable State and local regulations or valid waiver thereof; provided that the OWNER shall have the right to protest and/or contest any assessment of the PROPERTY over and above the minimum INVESTMENT as required by this AGREEMENT. Said abatement(s) shall extend for a period of ten (10) years as applicable to real property and personal property tax abatement with tax abatement beginning on January 1, 2011, and shall remain in effect as long as the OWNER creates and maintains the minimum proposed total taxable valuation of one million two hundred fifteen thousand five hundred eighty seven and no/100 dollars (\$1,215,587) in personal property improvements in personal property improvements to be added (hereinafter

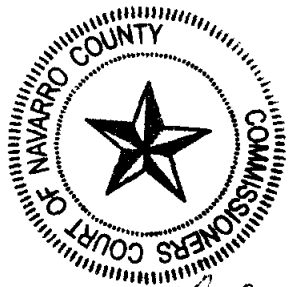
collectively referred to as INVESTMENT); and, create and maintain a minimum of thirty (30) new, full time jobs; IMPROVEMENTS shall be substantially complete on or about December 31, 2010; and, create and maintain a minimum of thirty (30) new, full time jobs; IMPROVEMENTS shall be substantially complete on or about December 31, 2010

§11. This AGREEMENT was authorized by resolution of the Navarro County Commissioner's Court at its regularly scheduled meeting on the 28th day of June, 2010, authorizing the County Judge to execute the AGREEMENT on behalf of the COUNTY.

§12. This AGREEMENT was entered into by Russell Stover Candies, Inc. Corporation pursuant to authority granted by its Board of Directors/Owner on the 28 day of May, 2010.

§13. This AGREEMENT shall constitute a valid and binding agreement between the COUNTY and OWNER when executed in accordance herewith, regardless of whether any other taxing unit executes a similar agreement for tax abatement.

This AGREEMENT is performable in Navarro County, Texas, witness our hands this 28th day of June, 2010.



ATTEST:

Sherry Dowd
Sherry Dowd, County Clerk

APPROVED:

H. M. Davenport, Jr.
H. M. Davenport, Jr.
County Judge

RUSSELL STOVER CANDIES, INC.

By: David Shapland
David Shapland
Chief Financial Officer
Russell Stover Candies, Inc. Corporation

2010 APPLICATION FOR TAX ABATEMENT

Instructions: Please print or type. Submit the completed and signed original copy of the 2010 Application for Tax Abatement with attachments to: The City of Corsicana Economic Development Department, 200 North 12th Street, Corsicana, Texas 75110

1. Date

2. Name of Firm, Partnership or Corporation and mailing address

Please print or type:
Russell Stover Candies, Inc.
1997 Pecan Delight Avenue
Corsicana, TX 75112

2a. Have you received a previous tax abatement from the City of Corsicana?
 (YES/NO)

2b. If yes, when?

3. Number of new full time employees to be added
*(*A minimum of 20 new, full-time [e.g. 40 hours/week] jobs are required.)*

4. Number of acres of property to be developed

4a. Plat of property and Development or Site Plan attached? (YES/NO)
(Official Property Survey with metes and bounds required)

5. Estimated value of existing real property to be developed \$

6. Estimated value of real property improvements
(A minimum \$1,000,000.00 investment required, unless otherwise approved by City Council)

7. Estimated value of existing inventory \$

8. Estimated value of inventory to be added \$

9. Estimated value of existing personal property \$

10. Estimated value of taxable personal property improvements \$

11. Total estimated value of new taxable investment to be made (total of Items # 6, 8 & 10) \$

12. Description of real property improvements to be made:

12. Description of Public Services available for project development and new facilities and / or services required.

Water:	
Wastewater:	
Railways:	
Natural Gas:	
Electricity:	

13. One Year Development Schedule for all improvements.

1st Quarter:	
2nd Quarter:	
3rd Quarter:	
4th Quarter:	

* Qualification for pro-rating new employees is determined on a case-by-case basis.

2010 APPLICATION FOR TAX ABATEMENT (Page 2)

14. Expected impact on the Corsicana Independent School District.

\$15596 (@ Cisd tax rate of \$1.2830 per \$100 estimated value)

15. Expected benefit to the local economy.

16. Estimated annual payroll of new employees.

\$750,000

17. Description of product to be manufactured or distributed.

Russell Stover Crème Egg Product Line

18. Expected productive life of all real property improvements.

10 years

19. Identification and quantity of all Pollutants and Emissions:

TYPE	QUANTITY
AIR:	
NOISE:	
SOLID WASTE:	
WASTEWATER:	

20. Certification of no materially adverse environmental impact as a result of the improvements and operations

21. Project in compliance with relevant zoning requirements.

22. Reasonable proof of financial ability.

23. References from past communities, if applicable.

I declare that the information in this document and any attachments is true and correct to the best of my knowledge and belief

sign here > *David S. Shapland*

Phone: 361-655-7211

Date: 5/28/10

Submitted By (Please Print)	
Name:	David S. Shapland
Title:	Chief Financial Officer
Date:	4/6/2010

Received by the City of Corsicana	
Name:	
Title:	
Date:	

For assistance in completing this form call the City of Corsicana, Texas - 903.654.4806 An Equal Opportunity Employer

The City of Corsicana Economic Development Department
200 North 12th Street, Corsicana, Texas 75110

Russell Stover

CANDIES

Whitman's
PANGBURN'S

April 8, 2010

Ms. Connie Standridge
City Manager
City of Corsicana, Texas
200 N. 12th Street
Corsicana, Texas 75110

Dear Ms. Standridge:

The purpose of this correspondence is to provide assurances that the planned \$1,215,587 (approximate) expansion (crème egg project) of Russell Stover Candies, Inc. , Corsicana, Texas location will have no unacceptable environmental impact according to existing Environmental Protection Agency (EPA), Texas Commission on Environmental Quality (TCEQ), and the City of Corsicana, Texas codes, guidelines, and environmental regulations.

Sincerely,



David Shapland
Chief Financial Officer

53.494 acres,
 J. Hamilton, A-381
 & J. Peoples, A-9,
 Navarro County, Texas

EXHIBIT "A"

All that certain tract or parcel of land situated within the John Hamilton survey, A-381 and the Jehu Peoples Survey, A-9 and being a part of a called 35.0 acre tract as described by Deed from James W. Fair and C.F. Dominy to Hable Realty Corporation dated July 1, 1980 and recorded in Volume 939 on Page 218 in the Deed Records of Navarro County, Texas, and being part of a called 24.947 acre tract as described by Deed from Calvin Clyde, Jr. to Hable Realty Corporation dated September 23, 1981 and recorded in Volume 969 on Page 311 in said Deed records, and being more completely described as follows:

BEGINNING at a 1/2" iron rod set for corner in the Southwest right-of-way line of U.S. Highway No. 287 and in the Northeast line of the above referenced 35.0 acre tract and being South 31°42'06" East, a distance of 80.00 feet from the North corner of same, said beginning also being the East corner of a called 0.762 acre street easement as recorded in Volume 1252 on Page 349 in the above mentioned Deed Records;

THENCE South 31°42'06" East, with the Northeast line of said 35.0 acre tract, same being the Southwest right-of-way line of U.S. Highway No. 287, passing the East corner of said 35.0 acre tract, same being the North corner of the aforementioned 24.947 acre tract, continuing with said right-of-way and the Northeast line of said 24.947 acre tract, a total distance of 1447.77 feet to a 5/8" iron rod found in same and being the beginning of a curve to the left;

THENCE with said right-of-way and Northeast line of said 24.947 acre tract and along said curve having a Delta of 02°05'54", a Radius of 5780.00 feet, a Tangent of 105.86 feet, a Chord of South 32°45'03" East, - 211.68 feet, a distance of 211.69 feet to a 1/2" iron rod set in same, and being the North corner of a called 0.055 acre tract as described by Deed from Hable Realty Corp. to Larry M. Walther et al, dated July 8, 1994 and recorded in Volume 1288 on Page 779 in the Deed Records of Navarro County, Texas;

THENCE South 59°25'39" West, with the Northwest line of said 0.055 acre tract, a distance of 59.23 feet to a 1/2" iron rod found for the West corner of the same;

THENCE South 33°07'30" East, with the Southwest line of said 0.055 acre tract, a distance of 40.37 feet to a 1/2" iron rod set for the South corner of same and being in the Southeast line of said 24.947 acre tract, and the Northwest line of a called 15.006 acre tract as recorded in Volume 945 on Page 872 in said Deed Records;

THENCE South 59°11'37" West, with said common line, a distance of 1116.61 feet to a 2" iron pipe found for the occupied West corner of said 15.006 acre tract same being an Easterly

53.494 acres, page 2

all corner of a called 102.770 acre tract as described in Volume 945 on Page 872 in said Deed Records;

THENCE South 60°35'36" West, with the Southeast line of said 24.947 acre tract and on Easterly Northwest line of said 102.770 acre tract, a distance of 321.99 feet to a 5/8" iron rod found for the occupied South corner of said 24.947 acre tract and an inner ell corner of said 102.770 acre tract;

THENCE North 30°02'26" West, with the Southwest line of said 24.947 acre tract, a Northerly Northeast line of said 102.770 acre tract, a distance of 727.93 feet to a 5/8" iron rod found for the West corner of said 24.947 acre tract, same being the South corner of the aforementioned 35.0 acre tract;

THENCE North 29°35'54" West, with the Southwest line of said 35.00 acre tract and said Northeast line of said 102.770 acre tract, a distance of 802.09 feet to a 5/8" iron rod found in same, and being the south corner of a called 20.00 acre tract as described by Deed from Hable Realty Corp. to V.F. Factory Outlet, Inc. dated February 8, 1989 and recorded in Volume 1177 on Page 144 in said Deed Records;

THENCE North 58°18'03" East, with the Southeast line of said 20.00 acre tract, a distance of 1026.75 feet to a 5/8" iron rod found for the East corner of same;

THENCE North 31°42'04" West, with the Northeast line of said 20.00 acre tract, a distance of 141.91 feet to a 5/8" iron rod found in same, and being the South corner of the aforementioned 0.762 acre street easement;

THENCE North 58°41'06" East, with the Southeast line of said street easement, a distance of 415.25 feet to the place of beginning and containing 53.494 acres of land, more or less.



State of Texas)
County of Navarro)
(James F. Dunham, Clerk of the County Court in and for Navarro County, Texas, do hereby certify that this instrument was FILED FOR RECORD and RECORDED in the volume and page of the named record and at the time and date stamped hereon by me.

James F. Dunham

County Clerk of Navarro County, Texas

RECEIVED TIME JUL. 13. 2:56PM

PRINT TIME JUL. 13. 2:59PM

#11

31

SUMMARY REPT-GROUP DETAIL

NAVARRO COUNTY
SENATE DIST 22 RUNOFF
JUNE 22, 2010

UNOFFICIAL RESULTS

RUN DATE:06/28/10 08:36 AM

REPORT-EL45A PAGE 001

	TOTAL VOTES	%	EV PAPER	EV IVO	ED IVO	PROVISIONAL
PRECINCTS COUNTED (OF 34)	34	100.00				
REGISTERED VOTERS - TOTAL	0					
BALLOTS CAST - TOTAL	971		89	401	481	0
STATE SENATOR, DIST 22, UNEXP NAVARRO COUNTYWIDE						
VOTE FOR 1						
David Sibley (REP)	233	24.05	34	111	88	0
Brian Birdwell (REP)	736	75.95	55	289	392	0

#12
RECEIVED

32

MAY 28 2010

DIVISION OF
ARCHITECTURE

STATE OF TEXAS
COUNTY OF NAVARRO

00004320

GRANT OF EASEMENT

The County of Navarro ("Grantor"), a political subdivision of the State of Texas, owner of property described as Navarro County Courthouse and Grounds ("Property"), as more fully described in Attachment "A" to this document, which is incorporated herein for all purposes as if it were set forth fully herein, in consideration of \$10.00 and other valuable consideration, receipt of which is acknowledged, does hereby grant, bargain, sell, and convey to the Texas Historical Commission ("Grantee"), an agency of the State of Texas, the following easement ("Easement").

Grantor has legal and equitable fee simple title to the Property, and has the right and power to grant this easement. Grantee has the legal authority to accept this easement. Grantee considers the Property and the improvements thereon to represent a significant example of a historic, architectural, or cultural site important to the State of Texas. Grantor desires to grant to Grantee, and Grantee desires to accept, the easement on the terms and conditions set forth below.

TERMS AND CONDITIONS

1. GRANT

In consideration of the grant award to Grantor under the Texas Historic Courthouse Preservation Program ("Program"), Grantor hereby grants and conveys to Grantee an interest and easement in the Property, for the preservation of historic, architectural, scenic and open space values, of the nature and character and to the extent set forth in this Easement, to constitute a servitude upon the Property running with the land, for the benefit of and enforceable by the Grantee, to have and to hold the said interest and easement subject to and limited by the provisions of this Easement, to and for Grantee's proper uses.

2. SCOPE OF GRANTEE'S INTEREST AND EASEMENT

The easement herein granted conveys to the Grantee an interest in the Property consisting of the benefits of the following covenants and undertakings by Grantor.

- a. Without the prior written consent of Grantee, which shall not unreasonably be withheld, Grantor shall not cause or permit any construction, alteration, remodeling, dismantling, destruction, or other activity that would adversely affect or alter in any material way the appearance or the historic architectural integrity of the Property, except for routine maintenance.
- b. Grantor shall maintain and repair the Property as required to ensure that the historic architectural integrity of the Property is not permitted to deteriorate in any material way.
- c. The Significant changes in use to the building that may effect how the public spaces are used and/or preserved must receive prior approval in writing from the Grantee.

3. INITIAL LEVEL OF PRESERVATION

The level of preservation addressed in this Easement will be considered the state of preservation as achieved for the Property as outlined in the Scope of Work statement attached as Attachment "B" and including any modifications to the Scope of Work as may be approved in writing by the Commission during the course of planning and/or construction.

4. RESPONSIBILITIES OF GRANTOR IF PROPERTY IS DAMAGED OR DESTROYED

In the event that the building located on the Property is damaged or destroyed, by reason of fire, flood, earthquake, or other disaster or casualty of any kind whatsoever, Grantor's responsibilities shall be as follows:

- a. Partially damaged. If the Property is partially damaged (i.e., damaged to such an extent or of such nature that the historic architectural integrity of the Property can reasonably be restored to its prior condition), then Grantor shall restore the historic architectural integrity of the Property to the condition that existed just prior to the damage, to the extent possible consistent with the Secretary of the Interior's Standards for the Treatment of Historic Properties, 1995.
- b. Totally destroyed. If the property is totally destroyed (i.e., destroyed to such an extent that it is not possible to reasonably repair or restore the historic architectural integrity of the Property), Grantee and Grantor shall work together to determine whether it is economically and otherwise feasible to reconstruct the Property in a substantially similar manner. If the Property is reconstructed in a substantially similar design, this easement shall continue in force and apply to the reconstructed Property. If the Property is not reconstructed in a substantially similar design, this easement shall terminate upon agreement by the Grantee that reconstruction in a substantially similar design will not take place.

5. REMEDIES OF GRANTEE

Grantee shall have all remedies available to it at law or equity and Grantor agrees that money damages shall be insufficient compensation to Grantee for any breach by Grantor. It is further understood and agreed that in the event Grantor is found to have materially violated any of its obligations, Grantor shall reimburse Grantee for any costs or expenses incurred in connection with enforcing this Easement, including Court costs and reasonable architect's and attorney's fees. It is understood and agreed that one of Grantee's remedies is the right to require the Grantor to restore the Property to the condition required by this Easement. The exercise by Grantee of one remedy and the failure to exercise any remedy shall not have the effect of waiving or limiting the use of any other remedy or the use of such remedy at any other time.

6. ASSIGNMENT, SUCCESSORS AND ASSIGNS

- a. This Easement shall extend to and be binding upon Grantor and all persons hereafter claiming by, under or through Grantor, and the word "Grantor" when used herein shall include all such entities or persons whether or not such entities or persons have signed this instrument or had any interest in the Property at the time it was signed. Anything contained herein notwithstanding, a person shall have no obligation, pursuant to this Easement, if and when such person shall cease to have any (present, partial, contingent, collateral or future) interest in the Property or any portion thereof by reason of a bona fide transfer for value.
- b. Grantor acknowledges that in the event of the contemplation of a transfer of all or a portion of the Property, Grantor shall notify Grantee not less than thirty (30) days prior to the contemplated transfer, in writing, by certified mail with postage prepaid and return receipt requested, addressed to the Grantee as follows:

Texas Historical Commission
 Post Office Box 12276
 Austin, Texas 78711

Or to such other address as Grantee may from time to time designate in writing to the Grantor. A copy shall also be sent to the chairman of the Navarro County Historical Commission. Upon receipt of notice of the contemplated transfer, the Grantee shall consider the purpose and effect of the proposed transfer and may approve or disapprove the transfer, if it is determined that the transfer would be inconsistent with the purposes of this Easement. This provision shall expire when this Easement expires or fifty years from the date this easement takes effect (whichever occurs first).

- c. Grantee agrees that it will hold this Easement exclusively for conservation purposes: that is, it will not transfer this Easement for money, other property or services.

7. RESERVATION

- a. Grantor reserves the free right and privilege to the use of the Property for all purposes not inconsistent with the grant made herein.
- b. Nothing contained in this Easement shall be interpreted to authorize, require or permit Grantor to violate any ordinance relating to building materials, construction methods or use. In the event of any conflict between any such ordinance and the terms hereof, Grantor shall promptly notify Grantee of such conflict and Grantor and Grantee shall agree upon such modifications consistent with sound preservation practices, the Secretary of the Interior's Standards for the Treatment of Historic Properties, 1995 and consistent with the requirements of such ordinance

8. ACCEPTANCE

Grantee hereby accepts the right and interest granted to it in this Easement.

Grant of Easement

9. GRANTOR'S INSURANCE

- a. Grantor shall maintain, at its own cost, insurance against loss from the perils commonly insured under standard fire and extended coverage policies and comprehensive general liability insurance against claims for personal injury, death and property damage in such amounts as would normally be carried on a property such as that subject to this Easement, it being agreed that as of the date of this Easement, Grantor's present coverage in the amount of the estimated replacement cost of the building located on the Property (fire and extended coverage insurance). Such insurance shall include Grantee's interest and name Grantee as an additional insured and shall provide for at least thirty (30) days notice to Grantee before cancellation and that the act or omission of one insured will not invalidate the policy as to any other insured. Furthermore, Grantor shall deliver to Grantee certificates or other such documents evidencing the aforesaid insurance coverage at the commencement of this grant and a new certificate at least ten (10) days prior to the expiration of each such policy.
- b. For counties that are self-insured, there must be evidence of financial ability to repair or reconstruct the courthouse in the event of any potential loss.

10. RELEASE AND INDEMNIFICATION

To the extent allowed by the Constitution and laws of the State of Texas, Grantor shall be responsible for and does hereby release and relieve Grantee, its officers, directors, agents and employees, and will defend and hold Grantee, its officers, directors, agents and employees, harmless of, from and against any and all liabilities, obligations, damages, penalties, claims, costs, charges and expenses which may be imposed upon or incurred by Grantee by reason of loss of life, personal injury and/or damages to property occurring in or around the Property occasioned in whole or in part by the negligence of Grantor, its agents or employees.

11. REVIEW, APPROVAL AND ADDITIONAL COSTS

Whenever the consent or approval of Grantee is required, it shall not be unreasonably withheld or delayed. In any event, Grantee shall respond to any request for consent within thirty (30) days (except under extraordinary circumstances) or such consent shall be deemed to have been given. The provisions of this paragraph shall apply to any request of Grantor for consent to and approval of plans and specifications by Grantee in the event of proposed restorations or alteration pursuant to the terms of this Easement.

12. NO THIRD PARTY BENEFICIARY

Anything to the contrary notwithstanding in this Agreement, all rights, privileges and benefits are for the exclusive use of the parties hereto, and there shall be no third party beneficiary hereof.

13. WORK DONE AS A CONDITION OF ACCEPTING THE GRANT

Grantee acknowledges that substantial corrective and restoration work has been done or will be done by the Grantor to preserve the historic architectural integrity of the Property. The corrective and restoration work shall be completed by Grantor in accordance with the grant, the Funding Agreement, and this Easement.

14. TERM OF AGREEMENT

This Easement shall become valid on the date of the last signature included herein and remain in effect in perpetuity unless terminated earlier by agreement of the parties. Notwithstanding, this Easement shall terminate if either the Funding Agreement, or Grantee's participation in the Program, are terminated prior to the receipt of any amount of the grant award.

15. SUPERSEDING CLAUSE

This Easement and the provisions contained herein shall supersede all previous easements granted by the Grantor to the Grantee on the Property described herein. Any previous easement shall hereafter be null and void as of the date this Easement is filed in the deed records of Navarro County.

16. SEVERANCE CLAUSE

In the event any provision of this Easement is found to be invalid, the remaining provisions of the Easement shall remain in force and effect as if such invalid provision had not been a part of the Easement.

This Easement is for the benefit of and appurtenant to the land, or any portion of the land, in the County of Navarro, State of Texas, described as follows:

In witness, this GRANT is executed on the 12 day of April, in the year 2010.

Grantor: Navarro County

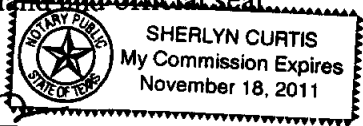
By: [Signature]
Navarro County Judge

STATE OF TEXAS:

On this the 12 day of April, in the year 2010, before me, a Notary Public in and for the State of Texas, H.M. Davenport, Jr., known to me (or satisfactorily proven) to be the persons whose names are subscribed to the Grant of Easement acknowledged that they executed the same for the purposes therein contained.

In witness whereof, I here unto set my hand and official seal.

[Signature]
Notary Public



Grantee: Texas Historical Commission

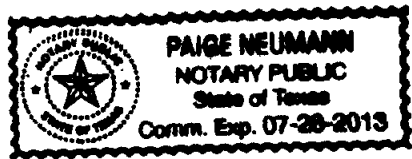
By: [Signature]
Mark Wolfe
Executive Director

STATE OF TEXAS:

On this the 14 day of June, in the year 2010, before me, a Notary Public in and for the State of Texas, the undersigned officer, personally appeared Mark Wolfe, who acknowledged himself to be Executive Director of the Texas Historical Commission, a state agency organized under the laws of the State of Texas, and that he as such Executive Director, being authorized to do so, executed the foregoing instrument for the purposes therein contained by signing the name of the Texas Historical Commission by himself as Executive Director.

In witness whereof, I here unto set my hand and official seal.

[Signature]
Notary Public



ATTACHMENT A
Grant of Easement

LEGAL DESCRIPTION:
County Clerk Legal Information
Downtown Corsicana Plat Map
The "Old Town Plat" 1848

Ownership
 NAVARRO COUNTY
 P O BOX 1070
 CORSICANA, TX 75151
 DBA: NAVARRO COUNTY COURTHOUSE

 OWNER INTEREST 1.0

Legal Information
 LEGAL: SUBD: CORSICANA OT, BLK: 316A,
 LOT: ALL, (NAVARRO COUNTY COURTHOUSE)

 SITUS: 300 W 3RD AVE
 ACRES:2.066

Exemptions/Deed
 CONST EXEMPT
 DATE: 1/1/1900

Identification ID:R000062919/GID:C0000.00.0316A.000.00.0

MAR 15 2010

RECEIVED
 MAR 15 2010
 DIVISION OF ARCHITECTURE

ALT:
 MIN:
 XREF:

Sale Dt	Type	Vol	Page	Inst	Deed Dt	Price	Value@Sale	Grantee	Grantor
1/1/00					1/1/00				
1/1/00					1/1/00				
1/1/00					1/1/00				

Geo Quad	Aenal	Map Id	Use	Agent	Mortgage
0					

Grp#	Imp Cls	Year/Eff Yr	Sqft	Cpsf	Buildings	Features	Cn Cd	Cn%	Dp Cd	Dp%	Fn%	Ec%	Cpl%	Adjusted	Additional	Loc%	Total
			.00	.00													

Code/Description	Hs	Year/Eff Yr	Class	Sqft	Cpsf	Buildings	Features	Cn%	Dp Cd	Dp%	Fn%	Ec%	Cpl%	Ptd	Value

Csf Impr

NAVARRO

Appr By	Appr Dt	Chkd By	Chkd Dt
HC	1/1/08		1/1/00
User			Print Date / Time
JASONM			2/24/2010 10:57:48 AM

Features

Lnd Cd	Units / Alt Units	Cpu	Cpu Cd	Mkt Cpu	Adj Codes	Adj%	Adj Amt	Hs	Mkt Value	Ptd	Prd	Spec Value
FLT	90,000 SF/2.066 AC	2		2.7	COMM	.35	243,000	N	180,000	F1E		

Prod Code / Prod Units / Prod Cpu

MOD:MASS	2010	Ptd	Change +/-	Cert	2009	Ptd
Impr Hs	0		0		0	F1E
Impr Non Hs	950,000	F1E		0	950,000	
Land Hs	0		0		0	F1E
Land Non Hs	243,000	F1E		0	243,000	
Prod Mkt	0		0		0	
Per / Min	0		0		0	
Total Market	1,193,000		0		1,193,000	
Prod Loss	0		0		0	
Cap Loss	0		0		0	
Assessed	1,193,000		0		1,193,000	

Entity / Description	Txbl Value	Tax Rate	Frz Yr	Ext. Tax Levy
GNV NAVARRO COUNTY	1,193,000	.005109		
RBC COUNTY ROAD AND	1,193,000	.001071		
JCN NAVARRO COLLEGE	1,193,000	.00119		
SCO CORSICANA ISD	1,193,000	.01283		
CCO CITY OF CORSICANA	1,193,000	.006272		
NFL NAVARRO FLOOD	1,193,000	.00009		
** ESTIMATED TOTAL				

Nbh	Misc

Quick Link



39

K

AVENUE

ION

WEST

OLD TOWN AVENUE

STREET

STREET

STREET

STREET

STREET

STREET

WEST

2ND

AVENUE

355

354

15TH

345

8

14TH

325

9

13TH

Court House

12TH

263

1

11TH

253

2

10TH

243

3

9TH

357

356

15TH

344

7

14TH

326

6

13TH

316

5

12TH

264

4

11TH

252

3

10TH

244

4

9TH

359

358

15TH

343

K

14TH

327

J

13TH

315

I

12TH

265

HA

11TH

251

G

10TH

243

5

9TH

360

15TH

342

WEST

328

WEST

314

Y.M.C.A. Library

5TH

266

CITY HALL

11TH

250

10TH

242

6

9TH

362

361

15TH

341

13TH

329

12TH

313

11TH

267

Post Office

10TH

249

9TH

241

7

9TH

WEST

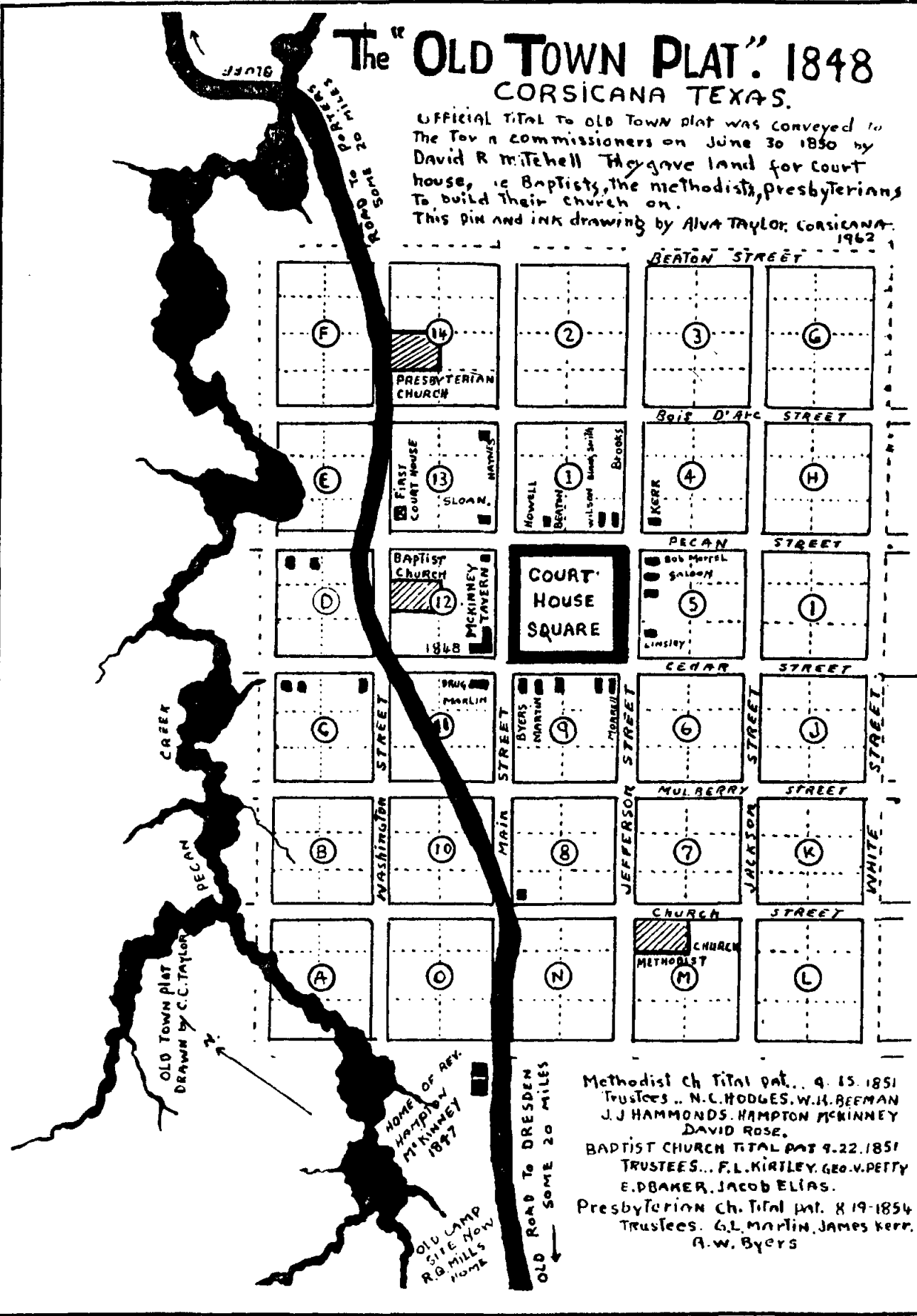
6TH

AVENUE

40

The "OLD TOWN PLAT" 1848 CORSICANA TEXAS.

OFFICIAL TITL to OLD TOWN plat was conveyed to
The Town Commissioners on June 30 1850 by
David R MITCHELL They gave land for court
house, to Baptists, the methodists, presbyterians
to build their church on.
This pen and ink drawing by ALVA TAYLOR, CORSICANA,
1962



Methodist Ch. Titl. pat. 9.15.1851
Trustees... N.C. HODGES, W.H. BEEMAN
J.J. HAMMONDS, HAMPTON MCKINNEY
DAVID ROSE.

BAPTIST CHURCH TITL. PAT. 9.22.1851
TRUSTEES... F.L. KIRTLEY, GEO. V. PETTY
E. BAKER, JACOB ELIAS.

Presbyterian Ch. Titl. pat. 8.19.1854
Trustees... G.L. MARTIN, JAMES KERR,
A.W. BYERS

SCOPE OF WORK

Design and Planning Services for the Restoration of the Navarro County Courthouse, Corsicana, Texas

Project Philosophy and Description

The period of restoration will be the opening era of the courthouse in 1905. Although significant structural additions were made in the 1930s, the only visible sign of these additions is in the basement lobby. While the finishes and layout of the building have changed over the last 100 years, analyses, early writings, and photographs have and will continue to inform us as to the original finishes and building layout. Therefore, the finishes and layout of the public lobbies, corridors, and spaces along with the courtrooms will be targeted for the year the building was completed in 1905.

The envelope of this building underwent a major restoration in the late 1990s largely with grant funding from TxDOT. The brick walls, wood windows, paint, and roof were restored to their original appearance. The exterior doors had been replaced at some point and were replaced again with wood and glass doors to be historically correct. Extensive work was done to foundation of the steps around the building. Work was completed around the foundation of the building to provide for positive drainage away from the building including the installation of a French drain system to stabilize the building foundation. This scope of work will include general painting at the exterior.

The interior of the building was not addressed at that time, nor were the systems of the building. This restoration will focus on those areas. The intent is to remove inappropriate changes that have taken place to the layout, restore the historic finishes and features that are no longer visible, and to install new MEP systems in the building.

The District Court will be returned to its original, larger floor plan and the 3rd floor offices will be removed to allow the balcony to be rebuilt. The ceiling and skylights will be rebuilt and/or restored. The County Courtroom ceiling and wall finishes will be made visible once again. Some investigation will be required using selective demolition to reach the determination on finishes. The intent at this stage is to relocate the elevator to its original design location to reduce impact to the courtrooms. There will be additional changes within the office areas located off of the lobby and corridor spaces. Restroom locations will be reviewed and all facilities updated and made accessible.

Finish restoration will include paint, new plaster work, removal of paint from brick and possibly plaster, and conservation of the American Scagliola finished columns in the rotunda. Abatement of hazardous material will be required for asbestos found in much of the texture that has been applied to walls and ceilings in the courthouse. Historic features including the skylights and plaster panels will be restored to view. The floors will be investigated throughout to determine the original finish as material at the time the building opened indicated that the floors were mosaic tiles rather than the terrazzo that is there now.

The systems of the building requires an extensive overhaul to make the courthouse functional; electrical, mechanical, and plumbing. Each of these requires massive renovations that will cause the building walls to be laid open. The electrical service to the building will be relocated and capacity increased. Wiring will be

replaced. Non-historic lighting will be replaced either with replications if appropriate of more energy efficient lighting. The heating and cooling system will be replaced. New piping will replace the plumbing and new fixtures.

There may be a small amount of remedial work to the basement, SW corner as there is anecdotal evidence since the Master Plan was revised in 2004 that the foundation may have dropped or be dropping in this area. Further investigation must take place to determine what is happening at this location.

SCOPE OF SERVICES:

The Architectural Design team will provide comprehensive services associated with Schematic Design, Design Development and Construction Documents phases of basic services. The Architect will submit the documents for review by the THC at specified intervals and present the plans for comment to Navarro County. The documents will be completed to the mutual acceptable of the THC and the County to a point of 95% completion.

Deliverables by Phase

- 1) Schematic Design Phase Documents (submit 1/2 size set to THC)
 - a. measured floor plans (basement, 1st, 2nd, and 3rd), roof plan, and elevations: plans keynoted for existing conditions, demolition; 2nd set noted for post-demolition work.
 - b. site plan noting all existing features and identifying work required; i.e. sidewalk repair
 - c. analysis of relevant programmatic information from the master plan (to be included on the drawings to the extent possible)
 - d. narrative description of MEP systems/equipment, proposed type
 - e. status report on specialty consultants' work – hazardous materials survey, audio/acoustic analysis for District Courtroom/structural analysis of foundation at SW corner
 - f. proposed accessibility solutions (restroom layout, elevator)
 - g. interior elevations at rotunda

- 2) Design Development Phase Documents (submit 1/2 size to THC)
 - a) Plans, elevations and sections noted for specific work required
 - b) site plan including survey noting any site work repair:
 - c) reflected ceiling plans
 - d) skylight plans, condition survey and recommendations
 - e) enlarged plans as required including; district courtroom plan with balcony, stairs and seating
 - f) accessible designs for restrooms, elevator, courtroom if required
 - g) sections through building noting work at skylight, and courtrooms
 - h) finish schedule forms
 - i) schematic mechanical/electrical and plumbing proposals
 - j) structural diagrams for ceiling work at district courtroom
 - k) outline specifications identifying all relevant subdivisions
 - l) selective demolition reports, updated historic finish and hazardous material reports
 - m) acoustics proposal
 - n) geo-technical report if required and structural recommendations for foundation repair
 - o) updated cost estimate

- 3) Construction Documents (60% complete, preliminary submittal) Submit 1/2 size set
 - a) plans, elevations and building sections with notes, references and symbols
 - b) site plan including all sitework with details of new construction

- c) proposed elevations for balcony restoration
 - d) proposed finish and color schedule
 - e) proposed hardware schedule
 - f) proposed interior elevations and casework (if any)
 - g) mechanical/electrical and plumbing 60% completion with cut sheets for all toilet fixtures and visible hvac elements
 - h) structural 60% completion
 - i) draft project specifications, selected light fixture cut sheets
 - j) security and av proposals
 - k) updated cost estimate
- 4) Construction Documents (95% complete submittal) Submit full size set
- a) all plans, elevation and building sections with notes, references, and symbols
 - b) site plan including all site work with details of new construction
 - c) completed balcony details
 - d) plan details, skylight details
 - e) finish, color and hardware schedule
 - f) interior elevations, casework, and details
 - g) enlarged plans and details
 - h) complete mep with details
 - i) complete structural with details
 - j) complete audio/video and security proposals
 - k) complete project specifications with general requirements
 - l) final opinion of probable cost with 7% contingency assumes 2011 bid date

Work product of the Architect's consultants

- 1) Engineering consultants will provide:
 - a. Mechanical/ electrical/ plumbing engineering for systems design
 - b. Structural engineer for courtroom balcony, elevator relocation, foundation review, miscellaneous cuts for mep
- 2) Other consultants will provide:
 - a. Historic paint analysis of exterior and interior painted finishes
 - b. Audio/Acoustical consultant for courtroom acoustics and equipment recommendations
 - c. Security consultant

Items outside the architect's scope to be contracted and performed by Navarro County.

- 1) Geotechnical Engineer if required for soils analysis at SW corner.

- 2) Hazardous Materials survey (lead only)
- 3) Investigative demolition and repair of areas in the courthouse.
- 4) Work related to relocation of offices prior to construction.

Filed for Record in:
Navarro County

On: Jun 22, 2010 at 07:48A

As a
No Fee Recording

Document Number: 00004320

Amount: .00

Receipt Number - 35151
By,
Sharon Johnson

STATE OF TEXAS

COUNTY OF NAVARRO

I hereby certify that this instrument was
filed on the date and time stamped hereon by me and
was duly recorded and stamped hereon by me.

Jun 22, 2010

Sherry Dowd, COUNTY CLERK
Navarro County

TEXAS DEPARTMENT OF RURAL AFFAIRS
CONTRACT NO. 710017 FOR
COMMUNITY DEVELOPMENT PROGRAMS

STATE OF TEXAS]

COUNTY OF TRAVIS]

SECTION 1 **PARTIES TO CONTRACT**

This contract and agreement is made and entered into by and between the Texas Department of Rural Affairs, an agency of the State of Texas, referred to as the "Department", and the County of Navarro, referred to as the "Contractor". The parties have severally and collectively agreed and by the execution are bound to the mutual obligations and to the performance and accomplishment of the described tasks.

SECTION 2. **CONTRACT PERIOD**

This contract and agreement shall commence on June 3, 2010, and shall terminate on June 2, 2012, unless otherwise specifically provided by the terms of this contract.

SECTION 3. **CONTRACTOR PERFORMANCE**

The Contractor shall conduct, in a satisfactory manner as determined by the Department, a community development program, referred to as CDBG, in a non-entitlement area under Title I of the Housing and Community Development Act of 1974, as amended (42 U.S.C. Sec. 5301 et seq.), referred to as the Act. The Contractor shall perform all activities in accordance with the terms of the Performance Statement, referred to as Exhibit A; the Budget, referred to as Exhibit B; the Project Implementation Schedule, referred to as Exhibit C; the Applicable Laws and Regulations, referred to as Exhibit D; the Certifications, referred to as Exhibit E; the assurances, certifications, and all other statements made by the Contractor in its application for the project funded under this contract; and with all other terms, provisions, and requirements set forth in this contract. The Contractor shall ensure that the persons to benefit from the activities described in Exhibit A, Performance Statement, of this contract are receiving the service or a benefit from the use of the new or improved facilities and activities for the contract obligations to be fulfilled and before submitting the Project Completion Report to this Department. If the persons to benefit from the activities described in Exhibit A are not receiving the service or a benefit, the Contractor is liable to repay to the Department any associated disallowed costs.

The Contractor shall adhere to the Project Implementation Schedule timelines for key project activities as shown in Exhibit C. The Department may require the Contractor to submit written justification for any contract activity that is not completed by the end of the month specified on the schedule in Exhibit C. These key activities include Procurement of Professional Services Completed, Plans and Specifications Completed/Submitted for Approval, Environmental Review Completed, Clearance of Special Conditions, Wage Rate Request/Decision/10-Day Call, Bid Advertisement/ Construction Contract Awarded, Construction - 50 percent of TxCDBG project complete, Construction - 50 percent of TxCDBG funds requested from the Department; Construction - 75 percent of TxCDBG project complete, Construction - 75 percent of TxCDBG funds requested from the Department, Construction - 90 percent of TxCDBG project complete, Construction - 90 percent of TxCDBG funds requested from the Department, Final Inspections Completed, and Close-out documents submitted to the Department.

SECTION 4: DEPARTMENT OBLIGATIONS

A. Measure of Liability

In consideration of full and satisfactory performance of the activities referred to in Section 3 of this contract, the Department shall be liable for actual and reasonable costs incurred by the Contractor during the contract period for performances rendered under this contract by the Contractor, subject to the limitations set forth in this Section 4.

1. It is expressly understood and agreed by the parties that the Department's obligations under this Section 4 are contingent upon the actual receipt of adequate state or federal funds to meet Department's liabilities under this contract. If adequate funds are not available to make payments under this contract, Department shall notify the Contractor in writing within a reasonable time after such fact is determined. Department shall terminate this contract and will not be liable for failure to make payments to the Contractor under this contract.

2. The Department shall not be liable to the Contractor for any costs incurred by the Contractor, or any portion thereof, which has been paid to the Contractor or is subject to payment to the Contractor, or has been reimbursed to the Contractor or is subject to reimbursement to the Contractor by any source other than the Department or the Contractor.

3. The Department shall not be liable to the Contractor for any costs incurred by the Contractor which are not allowable costs, as set forth in Section 6 (A) of this contract.

4. The Department shall not be liable to the Contractor for any costs incurred by the Contractor or for any performances rendered by the Contractor which are not strictly in accordance with the terms of this contract, including the terms of Exhibit A, Exhibit B, Exhibit C, Exhibit D, and Exhibit E of this contract.

5. The Department shall not be liable to the Contractor for any costs incurred by the Contractor in the performance of this contract which have not been billed to the Department by the Contractor within sixty (60) days following termination of this contract unless otherwise provided for in the Certificate of Expenditures referred to in Section 8 (C) of this contract.

6. The Department shall not be liable for costs incurred or performances rendered by the Contractor before commencement of this contract or after termination of this contract, unless the Contractor receives written approval from the Department and they are specifically identified in Exhibit A, Performance Statement and Exhibit B, Budget, of this contract.

7. The Department shall not be liable for costs incurred and reserved on the Certificate of Expenditures if such costs are not billed to the Department within ninety days after the contract's termination date. An exception will be made for the reserved funds for the final 5% administrative drawdown for programmatic closure. Audit funds reserved on the Certificate of Expenditures eligible for reimbursement under the provisions of Section 19 of this contract shall be billed to the Department within twelve months after the end of the Contractor's fiscal year that follows the termination date of this contract. The Department shall deobligate all reserved funds not requested under this subsection.

B. Excess Payments

The Contractor shall refund to the Department any sum of money which has been paid to the Contractor by the Department, which the Department determines has resulted in overpayment to the Contractor, or which the Department determines has not been spent by the Contractor strictly in

accordance with the terms of this contract. Such refund shall be made by the Contractor to the Department within thirty (30) working days after such refund is requested by the Department

C. Limit of Liability

Notwithstanding any other provision of this contract, the total of all payments and other obligations incurred by the Department under this contract shall not exceed the sum of Two Hundred Fifty-four Thousand Eight Hundred Twenty-seven and No/100 Dollars (\$254,827).

SECTION 5. METHOD OF PAYMENT

A. The Contractor shall submit to the Department at its offices in Travis County, Texas, a properly completed Request for Payment form and State of Texas Purchase Voucher, as specified by the Department, as often as actually needed. The Department shall determine the reasonableness of each amount requested and shall not make disbursement of any such payment until the Department has reviewed and approved such Request.

B. The Contractor's requests for the advance of funds shall be limited to the minimum amounts needed for effective operation of programs under this contract, and shall be timed as closely as possible to be in accord with actual cash requirements. The Contractor shall establish procedures to minimize the time elapsing between the transfer of funds from the Department to the Contractor and shall ensure that such funds are disbursed as soon as administratively possible.

C. Notwithstanding the provisions of Section 5 (A) of this contract, it is expressly understood and agreed by the parties that payments under this contract are contingent upon the Contractor's full and satisfactory performance of its obligations under this contract.

D. It is expressly understood and agreed by the parties that any right or remedy provided for in this Section 5 or in any other provision of this contract shall not preclude the exercise of any other right or remedy under this contract or under any provision of law, nor shall any action taken in the exercise of any right or remedy be deemed a waiver of any other rights or remedies. Failure to exercise any right or remedy shall not constitute a waiver of the right to exercise that or any other right or remedy at any time.

SECTION 6. UNIFORM ADMINISTRATIVE REQUIREMENTS, COST PRINCIPLES, AND PROGRAM INCOME

A. Except as specifically modified by law or the provisions of this contract, the Contractor shall comply with the Regulations in Exhibit D and, for matters not addressed therein, with 24 C.F.R. Part 85, "Administrative Requirements for Grants and Cooperative Agreements to State, Local and Federally Recognized Indian Tribal Governments" (referred to as the "Common Rule") as modified by the rules promulgated by the Office of the Governor under the Uniform Grant and Contract Management Act (TEX. GOV'T. CODE ANN. Chapter 783; referred to as "UGCMS."), in performing this contract. The allowability of costs incurred for performances rendered shall be determined in accordance with Office of Management and Budget (OMB) Circular A-87, as supplemented by UGCMS and this contract.

B. The Contractor shall comply with the requirements set forth in 24 C.F.R. Section 570.489(e) of the Regulations to account for program income related to activities financed in whole or in part with funds provided under this contract.

1. The Contractor shall maintain records of the receipt, accrual, and disposition of all program income in the same manner as required for all other funds under this contract, and the Contractor shall provide reports of program income to the Department with each form submitted by the Contractor in accordance with Section 5 of this contract, and at the termination of this contract.

2. Program income earned by the Contractor during the period of this contract shall be retained by the Contractor and utilized by the Contractor to fund performances specified in this contract, in the manner specified, prior to requesting additional funds from the Department.

3. At least sixty (60) days prior to the termination of this contract, the Contractor shall submit a plan to the Department for its approval which specifies the manner in which the Contractor proposes to use any unexpended program income earned under this contract to continue the performance specified in this contract in the manner specified. Any program income earned by the Contractor from this contract, prior to the establishment and approval of a Revolving Loan Fund plan by the Contractor must be returned to the Department. In the event the Department does not approve the plan submitted by the Contractor, the Contractor shall return such program income to the Department within thirty (30) working days after receipt of the Department's notification of disapproval.

SECTION 7. RETENTION AND ACCESSIBILITY OF RECORDS

A. The Contractor shall maintain fiscal records and supporting documentation for all expenditures of funds made under this contract in a manner which conforms to OMB Circular A 87, 24 CFR Section 570.490 of the Regulations in Exhibit D, and this contract. Such records must include data on the racial, ethnic, and gender characteristics of persons who are applicants for, participants in, or beneficiaries of the funds provided under this contract. The Contractor shall retain such records, and any supporting documentation, for the greater of: (i) three years after close-out of the HUD grant to the state of Texas (not the closeout of this contract); (ii) if notified by the Department in writing, the date that the final audit is accepted with all audit issues resolved to the Department's satisfaction, or (iii) a date consistent with the period required by other applicable laws and regulations as described in 24 CFR 570.487 and 570.488.

B. The Contractor shall give the United States Department of Housing and Urban Development, the Inspector General, the General Accounting Office, the Auditor of the State of Texas, an office or agency of the State of Texas, and the Department, or any of their duly authorized representatives, access to and the right to examine all books, accounts, records, reports, files, and other papers, things, or property belonging to or in use by the Contractor pertaining to this contract. Such rights to access shall continue as long as the records are retained by the Contractor. The Contractor agrees to maintain such records in an accessible location and to provide citizens reasonable access to such records consistent with the Texas Public Information Act.

C. The Contractor shall include the substance of this Section 7 in all subcontracts.

SECTION 8. REPORTING REQUIREMENTS

A. The Contractor shall submit to the Department such reports on the operation and performance of this contract as may be required by the Department including but not limited to the reports specified in this Section 8.

B. The Contractor shall submit to the Department no later than the twentieth (20th) day of the month after the end of each calendar quarter of the contract period specified in Section 2, a Quarterly Progress Report of the progress, in narrative form, of all construction and nonconstruction activities by budget categories performed pursuant to Exhibit A, Performance Statement, and of the expenditures and obligations of funds by budget category made pursuant to Exhibit B, Budget, of this contract. The Quarterly Progress Report shall be in a format prescribed by the Department and shall include all such activities, expenditures, and obligations made or performed under this contract during the previous quarter.

C. The Contractor shall submit a Certificate of Expenditures to the Department no later than sixty (60) days after the contract termination date or at the conclusion of all contract activities as determined by the Department. The Certificate of Expenditures shall be in a format prescribed by the Department and shall be accompanied by a final Project Completion Report of all activities performed under this contract.

D. In addition to the limitations on liability otherwise specified in this contract, it is expressly understood and agreed by the parties that if the Contractor fails to submit to the Department in a timely and satisfactory manner any report required by this contract, the Department may, at its sole option and in its sole discretion, withhold any or all payments otherwise due or requested by the Contractor. If the Department withholds such payments, it shall notify the Contractor in writing of its decision and the reasons therefore. Payments withheld pursuant to this paragraph may be held by the Department until such time as the delinquent obligations for which funds are withheld are fulfilled by the Contractor.

E. The Contractor is required to immediately report to the Department any incident of criminal misapplication of Texas Community Development Block Grant (TxCDBG) funds associated with this contract.

SECTION 9. MONITORING

The Department reserves the right to perform periodic on-site monitoring of the Contractor's compliance with the terms and conditions of this contract, and of the adequacy and timeliness of the Contractor's performances under this contract. After each monitoring visit, the Department shall provide the Contractor with a written report of the monitor's findings. If the monitoring reports note deficiencies in the Contractor's performances under the terms of this contract, the monitoring report shall include requirements for the timely correction of such deficiencies by the Contractor. Failure by the Contractor to take action specified in the monitoring report may be cause for suspension or termination of this contract, as provided in Sections 17 and 18 of this contract.

SECTION 10. INDEPENDENT CONTRACTOR

It is expressly understood and agreed by the parties that the Department is contracting with the Contractor as an Independent Contractor, and that the Contractor, as such, agrees to the extent allowed by law to hold the Department harmless and to indemnify the Department from and against any and all claims, demands, and causes of action of every kind and character which may be asserted by any third party occurring or in any way incident to, arising out of, or in connection with the services to be performed by the Contractor under this contract.

SECTION 11. SUBCONTRACTS

A. Except for subcontracts to which the federal labor standards requirements apply, the Contractor may subcontract for performances described in this contract without obtaining the Department's prior written approval. The Contractor shall only subcontract for performances described in this contract to which the federal labor standards requirements apply after the Contractor has submitted a Subcontractor Eligibility form, as specified by the Department, for each such proposed subcontract, and the Contractor has obtained the Department's prior written approval, based on the information submitted, of the Contractor's intent to enter into such proposed subcontract. The Contractor, in subcontracting for any performances described in this contract, expressly understands that in entering into such subcontracts, the Department is in no way liable to the Contractor's subcontractor(s).

B. In no event shall any provision of this Section 11, specifically the requirement that the Contractor obtain the Department's prior written approval of a subcontractor's eligibility, be construed as relieving the Contractor of the responsibility for ensuring that the performances rendered under all subcontracts are rendered so as to comply with all of the terms of this contract, as if such performances rendered

were rendered by the Contractor. The Department's approval under Section 11 does not constitute adoption, ratification, or acceptance of the Contractor's or subcontractor's performance. The Department maintains the right to insist upon the Contractor's full compliance with the terms of this contract, and by the act of approval under Section 11, the Department does not waive any right of action which may exist or which may subsequently accrue to the Department under this contract.

C. The Contractor shall comply with 24 CFR Section 85.36, this contract and all applicable federal, state and local laws, regulations, and ordinances for making procurements under this contract.

D. The Contractor shall maintain a retainage in the amount of five percent (5%) of each construction or rehabilitation subcontract entered into by the Contractor until the Department determines that the Federal labor standards requirements applicable to each such subcontract have been satisfied.

SECTION 12. CONFLICT OF INTEREST

A. The Contractor shall ensure that no employee, officer, or agent of the Contractor shall participate in the selection, or in the award or administration of a subcontract supported by funds provided if a conflict of interest, real or apparent, would be involved. Such conflict of interest would arise when: 1) The employee, officer, or agent; 2) any member of his or her immediate family; 3) his or her partner; or, 4) any organization which employs, or is about to employ any of the above, has a financial or other interest in the firm or person selected to perform the subcontract. The Contractor shall comply with Chapter 171, Texas Local Government Code and 24 C.F.R. 570.489(h) of the federal regulations.

B. In all cases not governed by Subsection (A) of this Section, no persons specified in subsection (C) of this Section who exercise or have exercised any functions or responsibilities with respect to the activities assisted under this contract or any other CDBG contract or who are in a position to participate in a decision making process or gain inside information with regard to such activities, may obtain a financial interest or benefit from the activity, or have an interest or benefit from the activity, or have any interest in any contract, subcontract or agreement with respect thereto, or the proceeds thereunder, either for themselves or those with whom they have family or business ties during their tenure or for one year thereafter.

C. The conflict of interest provisions of Subsection (B) apply to any person who is an employee, agent, consultant, officer, or elected official or appointed official of the Contractor or of a subcontractor of the Contractor.

D. The Contractor shall include the substance of this section in all subcontracts.

SECTION 13. NONDISCRIMINATION, RELIGIOUS ACTIVITY, AND FAITH-BASED ORGANIZATIONS

A. The Contractor shall ensure that no person shall on the ground of race, color, national origin, religion, sex, age, or handicap be excluded from participation in, be denied the benefits of, or be subjected to discrimination under or be denied access to any program or activity funded in whole or in part with funds made available under this contract.

B. Organizations that are religious or faith-based are eligible, on the same basis as any other organization, to participate in this program and activities funded under this contract. The Contractor receiving funds under this contract shall not discriminate against an organization on the basis of the organizations' religious character or affiliation. None of the performances rendered by the Contractor under this contract shall involve, nor shall any portion of the funds received by the Contractor under this contract, be used to engage in inherently religious activities. Funds made available under this contract may not be used for the acquisition, construction, or rehabilitation of structures to the extent that those structures are used for inherently religious activities. Funds made available under this contract may be used for the acquisition, construction, or rehabilitation of structures only to the extent

that those structures are used for conducting eligible activities. Where a structure is used for both eligible and inherently religious activities, funds made available under this contract may not exceed the cost of those portions of the acquisition, construction, or rehabilitation that are attributable to eligible activities in accordance with the cost accounting requirements applicable to funds provided under this contract. The Contractor shall comply with the regulations promulgated by the U.S. Department of Housing and Urban Development on faith-based activities at 24 CFR Sec. 570.200(j).

SECTION 14. LEGAL AUTHORITY

A. The Contractor assures and guarantees that the Contractor possesses the legal authority to enter into this contract, receive funds authorized by this contract, and to perform the services the Contractor has obligated itself to perform.

B. The person or persons signing and executing this contract on behalf of the Contractor, or representing themselves as signing and executing this contract on behalf of the Contractor, do hereby warrant and guarantee that he, she or they have been duly authorized by the Contractor to execute this contract on behalf of the Contractor and to validly and legally bind the Contractor to all terms, performances, and provisions set forth.

C. The Department shall have the right to suspend or terminate this contract if there is a dispute as to the legal authority of either the Contractor or the person signing this contract to enter into this contract or to render performances. The Contractor is liable to the Department for any money it has received from the Department for performance of the provisions of this contract, if the Department has suspended or terminated this contract for reasons enumerated in this Section 14.

SECTION 15. LITIGATION AND CLAIMS

The Contractor shall give the Department immediate notice in writing of 1) any action, including any proceeding before an administrative agency, filed against the Contractor arising out of the performance of any subcontract; and 2) any claim against the Contractor, the cost and expense of which the Contractor may be entitled to be reimbursed by the Department. Except as otherwise directed by the Department, the Contractor shall furnish immediately to the Department copies of all pertinent papers received by the Contractor with respect to such action or claim. The Contractor shall provide a notice to the Department within 30 days upon filing under any bankruptcy or financial insolvency provision of law.

SECTION 16. CHANGES AND AMENDMENTS

A. Except as specifically provided otherwise in this contract, any alterations, additions, or deletions to the terms of this contract shall be by amendment in writing and executed by both parties to this contract.

B. It is understood and agreed by the parties that performances under this contract must be rendered in accordance with the Act, the Regulations of the Department, assurances and certifications made to the Department by the Contractor, and the assurances and certifications made to the United States Department of Housing and Urban Development by the State of Texas with regard to the operation of the TxCDBG Program. Based on these considerations, and in order to ensure the legal and effective performance of this contract by both parties, it is agreed by the parties that the performances under this contract are amended by the provisions of the TxCDBG Project Implementation Manual and any amendments thereto and may further be amended in the following manner: The Department may from time to time during the period of performance of this contract issue policy directives which serve to establish, interpret, or clarify performance requirements under this contract. Such policy directives shall be promulgated by the Director of the TxCDBG in the form of TxCDBG issuances, shall have the effect of qualifying the terms of this contract and shall be binding upon the Contractor, as if written herein, provided however that the policy directives and any amendments to the TxCDBG Project

Implementation Manual shall not alter the terms of this contract so as to release the Department of any obligation specified in Section 4 of this contract to reimburse costs incurred by the Contractor prior to the effective date of the amendments or policy directives.

C. Any alterations, additions, or deletions to the terms of this contract which are required by changes in Federal or State law or regulations are automatically incorporated into this contract without written amendment, and shall become effective on the date designated by such law or regulation

D. Notwithstanding Subsection A of this Section 16, the Contractor may make transfers of funds between or among budget categories of Exhibit B, Budget, without requiring an amendment to this contract, or otherwise requiring the Department's prior written approval provided that:

1. The cumulative dollar amount of all transfers among direct budget categories is equal to or less than ten percent (10%) of the total amount of this contract as specified in Section 4 (C);
2. The transfer will not change the scope or objective of the projects funded under this contract; and
3. The Contractor submits a budget revision report to the Department, on a form specified by the Department, simultaneously with the submission of the Contractor's first request for payment following any such transfers made in accordance with this Subsection D.

SECTION 17. SUSPENSION

Notwithstanding the provisions of TEX. GOV'T. CODE ANN. Chapter 2251, in the event the Contractor fails to comply with any term of this contract, the Department may, upon written notification to the Contractor, suspend this contract in whole or in part and withhold further payments to the Contractor, and prohibit the Contractor from incurring additional obligations of funds under this contract.

SECTION 18. TERMINATION

A. The Department shall have the right to terminate this contract, in whole or in part, at any time before the date of completion specified in Section 2 of this contract whenever the Department determines that the Contractor has failed to comply with any term of this contract. The Department shall notify the Contractor in writing prior to the thirtieth (30th) day preceding the date of termination of such determination; the reasons for such termination; the effective date of such termination; and in the case of partial termination, the portion of the contract to be terminated.

B. Either of the parties to this contract shall have the right to terminate this contract, in whole or in part, when both parties agree that the continuation of the activities funded under this contract would not produce beneficial results commensurate with the further expenditure of funds; provided that both parties agree, in writing, upon the termination conditions, including the effective date of such termination; and in the case of partial termination, the portion of the contract to be terminated.

C. Upon termination or receipt of notice to terminate, whichever occurs first, the Contractor shall cancel, withdraw, or otherwise terminate any outstanding orders or subcontracts related to the performance of this contract or the part of this contract to be terminated, and shall cease to incur costs thereunder. The Department shall not be liable to the Contractor or to the Contractor's creditors for costs incurred after termination of this contract.

D. Notwithstanding any exercise by the Department of its right of suspension under Section 17 of this contract, or of early termination pursuant to this Section 18, the Contractor shall not be relieved of any liability to the Department for damages due to the Department by virtue of any breach of this contract by the Contractor. The Department may withhold payments to the Contractor until such time as the

exact amount of damages due to the Department from the Contractor is agreed upon or is otherwise determined.

SECTION 19. AUDIT

A. The Contractor shall arrange for the performance of an annual financial and compliance audit of funds received and performances rendered under this contract, subject to the following conditions and limitations:

1. (a) **Audit Required-Federal Awards.** Contractors expending \$500,000 or more in Federal financial assistance for any fiscal year, beginning with fiscal years ending January 31, 2004 and after, shall have a single audit conducted in accordance with the Single Audit Act Amendments of 1996, 31 U.S.C. 7501, and OMB Circular No. A-133 - Revised as of June 27, 2003, "Audits of States, Local Governments, and Non-Profit Organizations." Alternatively, Department may require a program specific audit for certain situations and when the Single Audit Act does not apply. For purposes of this Section 19, "Federal financial assistance" means assistance that non-Federal entities receive or administer in the form of grants, loans, loan guarantees, property (including donated surplus property), cooperative agreements, interest subsidies, insurance, food commodities, direct appropriations, and other assistance, but does not include amounts received as reimbursement for services rendered to individuals as described in OMB Circular A-133 §__205 (h) and §__205 (i). The term includes awards of Federal financial assistance received directly from Federal agencies, or indirectly through other units of State and local government.

(b) **Audit Required-State Financial Assistance.** Contractors that expended \$500,000 or more in total State Financial Assistance for any fiscal year, beginning with fiscal years ending January 31, 2004 and after, shall have a single or program specific audit conducted for that year in accordance with provisions of the State of Texas Single Audit Circular and the Uniform Grant Management Standards (UGMS) as adopted June 2004. For purposes of this Section 19, "State Financial Assistance" (or cost reimbursement contract) means assistance that non-state entities receive or administer in the form of grants, loans, loan guarantees, property (including donated surplus property), cooperative agreements, interest subsidies, insurance, food commodities, and other assistance, but does not include amounts received as an reimbursement for services rendered to individuals as described in sec. __205 (f). "State Financial Assistance" (or cost reimbursement contract) is received directly from state awarding agencies or indirectly from pass-through entities under a federal block grant. State financial assistance also does not include federal awards as defined by OMB Circular A-133.

2. **Audit Expenses.** Notwithstanding Section 4, the Contractor shall utilize funds budgeted under this contract to pay for that portion of the cost of such audit services properly allocable to the activities funded by the Department under this contract, provided however that the Department shall not make payment for the cost of such audit services until the Department has received a satisfactory audit report and invoice, as determined by the Department, from the Contractor; the invoice submitted for reimbursement should clearly show the percentage of cost relative to the total single audit cost of the audit services. Therefore, when submitting a request for audit fees reimbursement, the Contractor shall submit an invoice that clearly shows the total cost of the audit and the corresponding prorated charge per funding source. In addition, when applicable, an explanation shall be submitted with the reimbursement request supporting why the percentage of audit fee charges exceeds the percentage amount of TxCDBG funds expended of the total funds expended by the Contractor.

3. If the Contractor meets the single audit expense threshold as described in Subsections A (1) (a) and A (1) (b) of this section, the Contractor shall submit...

- one (1) copy of the Single Audit Report;

- one (1) copy of the Department's Single Audit Report Submission Check List (See Audit Certification Form (ACF) packet for check list);
- one (1) copy of the CPA's Management Letter, (if issued by CPA firm to Contractor), and Management's response to the Department.

The Contractor shall submit the audit package to the Department within thirty (30) days after the completion of the audit, but no later than nine (9) months after the end of the Contractor's audit period (i.e., after the Contractor's fiscal year end). The Contractor shall ensure that the audit report is made available for public inspection within thirty (30) days after completion of the audit. Audits performed under Subsection A of this Section 19 are subject to review and resolution by the Department or its authorized representative. The Contractor shall ensure the Audit Report submitted include either in the report or as part of the cover letter, auditor and contractor contact information, including contact person, mailing address, telephone, fax number and e-mail address. The Contractor shall ensure the Audit Report submitted also includes the submission of the CPA Management Letter if a Management Letter was issued to the Contractor by it's CPA firm. Failure by the Contractor to submit a completed single audit package as described in the audit requirements by the required due date could affect funding for all existing contracts, eligibility to apply under the TxCDBG Program, and the issuance of new contracts for funding awards.

4. Notwithstanding the requirements after paragraphs "A-1 through 3" of this Section 20, the Contractor shall submit within 60 days after its fiscal year end an Audit Certification Form (ACF) or a similar statement. The Contractor shall submit an ACF to the Department annually as long as the Contractor has an open contract with the Department. The ACF or statement will include information indicating if the Contractor has or has not met the \$500,000 expenditure threshold that will require a Single Audit Report in accordance with the Uniform Grant Management Standards, Subpart C-Post Award Requirements, Section 26 Audit, item (d). If the Contractor did not exceed the threshold, the Contractor shall include with the ACF or statement, a list of all open Federal or State... (The Department's and all other funding agencies)... contracts providing financial assistance and the corresponding activity. Failure by the Contractor to submit an ACF or a similar statement or failure to submit a complete ACF or single audit package as described in the audit requirements by the required due date could affect funding for all existing contracts, eligibility to apply under the TxCDBG Program, and the issuance of new contracts for funding awards.

5. Pursuant to the Texas Administrative Code §5.167(c), "Chapter 2105, Texas Government Code, requires that all subrecipients of federal block grants be included under the provisions of the Uniform Grant and Contract Management Standards." The Uniform Grant and Contract Management Standards (UGMS) (D) sec. 400 requires "Recipients who are required to have a single audit and receive state or federal awards for more than one state agency shall have a state single audit coordinating agency. The governor's office shall designate a state single audit coordinating agency based upon the state awarding agency that provides the predominant amount of direct funding to a recipient and other factors, as appropriate, to ensure equitable and manageable workloads." Further, it is the Contractor's responsibility to make this request to the governor's office pursuant to the Texas Administrative Code §5.167(c)(2), "To have a state single audit coordinating agency designated a recipient must submit a written request to the Governor's Budget and Planning Office, P.O. Box 12428, Austin, Texas 78711. This request must list the state agencies providing financial assistance with the grant amounts for the year to be audited and indicate that the governing body has authorized the initiation of the single audit."

B. Notwithstanding Subsection A of this Section 19, the Department reserves the right to conduct an annual financial and compliance review of funds received and performances rendered under this contract. The Contractor agrees to permit the Department or its authorized representative to audit the Contractor's records and to obtain any documents, materials, or information necessary to facilitate such review.

C. The Contractor understands and agrees that it shall be liable to the Department for any costs disallowed pursuant to financial and compliance audit(s) of funds received under this contract. The Contractor further understands and agrees that reimbursement to the Department of such disallowed costs shall be paid by the Contractor from funds which were not provided or otherwise made available to the Contractor under this contract.

D. The Contractor shall take such action to facilitate the performance of such audit or audits conducted pursuant to this Section 19 as the Department may require of the Contractor. Contractor shall establish written standard operating procedures and internal controls to include the timely procurement of a CPA firm to start and complete the year end single audit report if applicable, in order to comply with contractual and regulatory requirements. The Department shall not release any funds for any costs incurred by the Contractor under this contract until the Department has received a copy of any audit report required by this Section 19.

E. The Contractor shall procure audit services through an open, competitive process at least once every four years. The auditor shall retain working papers and reports for a minimum of three years after the date of issuance of the auditor's report to the auditee. Audit working papers shall be made available upon request to the Department at the completion of the audit, as a part of a quality review, to resolve audit findings, or to carry out oversight responsibilities consistent with the purposes of this part. Access to working papers includes the right to obtain copies of working papers, as is reasonable and necessary.

F. Contractor understands that acceptance of funds under this contract acts as acceptance of the authority of the State Auditor's Office, or any successor agency, to conduct an audit or investigation in connection with those funds. Contractor further agrees to cooperate fully with the State Auditor's Office or its successor in the conduct of the audit or investigation, including providing all records requested. Contractor will ensure that this clause concerning the authority to audit funds received indirectly by subcontractors through Contractor and the requirement to cooperate is included in any subcontract it awards.

SECTION 20. ENVIRONMENTAL CLEARANCE REQUIREMENTS

A. The Contractor understands and agrees that by the execution of this contract the Contractor shall assume the responsibilities for environmental review, decision making, and other action which would otherwise apply to the Department under Section 5304(f) of the Act, in accordance with and to the extent specified in 24 CFR Part 58. In accordance with Section 58.77(b) of such regulations, the Contractor further understands and agrees that the Contractor shall handle inquiries and complaints from persons and agencies seeking redress in relation to environmental reviews covered by approved certifications.

B. Funds provided under this contract may be obligated and expended before the actions specified in this Section occur only for the following eligible activities:

1. The payment of reasonable planning and administrative costs related to the project;
2. Environmental studies, including environmental clearance activities required by this Section; and
3. The payment or reimbursement of reasonable project engineering and design costs incurred for this project.

C. The Contractor shall complete a written Finding of Categorical Exclusion, as applicable under 24 C.F.R. Section 58.35 (a), which cites the subsection of Section 58.35 (a) by which the activities or projects funded under this contract are categorically excluded from the National Environmental Policy Act requirements of 24 C.F.R. Part 58. The Contractor shall then publish a Notice of Intent to

Request Release of Funds (NOI/RROF) in the manner prescribed in 24 C.F.R. Section 58.43. The Contractor shall provide the public with at least seven (7) calendar days to comment on the Notice following its publication date. Finally, the Contractor shall concurrently submit to the Department the following documents.

1. Request for Release of Funds and Certification (form HUD 7015.15),
2. Certification of Categorical Exclusion (Subject to 58.5) (CFR 58.35(a));
3. Compliance Documentation Checklist (CFR 58.6);
4. Published NOI/RROF; and
5. Publisher's Affidavit (only needed if sending a photocopy of the publication and not an original full page of the newspaper with publication title and date.)

Upon receipt of such documents, the Department must allow a fifteen (15) calendar day comment period to expire before it can formally release any project funds which are subject to the environmental review regulations. The Contractor must comply with all other applicable environmental requirements as specified in Exhibit D of this contract. The Contractor shall document its compliance with such other requirements in its environmental review file. The environmental review file and source documentation must be maintained as part of the environmental review record.

SECTION 21. CITIZEN PARTICIPATION REQUIREMENTS

A. The Contractor shall provide for and encourage citizen participation, particularly by low and moderate income persons who reside in slum or blighted areas and areas in which the funds provided under this contract are used, in accordance with Section 570.486 of the Regulations and this contract;

B. The Contractor shall hold a public hearing concerning any activities proposed to be added, deleted, or substantially changed, as determined by the Department, from the activities specified in Exhibit A, Performance Statement, of this contract;

C. Prior to the programmatic closure of this contract, the Contractor shall hold a public hearing to review its performance under this contract;

D. For each public hearing scheduled and conducted by the Contractor under this section, the Contractor shall comply with the following requirements:

1. Notice of each hearing shall be published in the non-legal section of a newspaper having general circulation in the Contractor's jurisdiction at least seventy-two (72) hours prior to each scheduled hearing. The published notice shall include the date, time, and location of each hearing and the topics to be considered at each hearing. The published notice shall be printed in both English and Spanish, if appropriate. The Department shall accept articles published in such newspapers which satisfy the content and timing requirements of this subsection. In addition, the Contractor shall prominently post such notices in public buildings and distributed to interested community groups.

2. If any substantial changes are being requested concerning the activities included in this contract, the public hearings shall be held after 5 p.m. on a weekday or on a Saturday or Sunday. The hearings must be conducted at a location convenient to potential or actual beneficiaries, with accommodation for the handicapped.

3 When a significant number of non-English speaking residents can reasonably be expected to participate in a public hearing, the Contractor shall provide an interpreter to accommodate the needs of the non-English speaking residents.

E. Notwithstanding the provisions of Section 7 of this contract, the Contractor shall retain documentation of the public hearing notices, a list of the attendees at each hearing, and minutes of each hearing held in accordance with this section for a period of three (3) years after the termination of this contract. The Contractor shall make such records available to the public in accordance with TEX. GOV'T. CODE ANN. Chapter 552.

F. Complaint Procedures. The Contractor shall maintain written citizen complaint procedures that provide a timely written response to complaints and grievances. Such procedures shall comply with the Department's requirements. The Contractor shall ensure that its citizens are aware of the location and hours at which they may obtain a copy of the written procedures and the address and phone number for submitting complaints.

SECTION 22. SPECIAL CONDITIONS

A. The Department shall not release any funds for any costs incurred by the Contractor under this contract until the Department has received a copy of the Contractor's previous fiscal year audit report or certification from the Contractor that its fiscal control and fund accounting procedures are adequate to assure the proper disbursement of and accounting for funds provided under this contract. The Department shall specify the content and form of such certification.

B. The Department shall not be liable to the Contractor for any costs incurred by the Contractor under this contract until the Department receives a properly completed Depository/Authorized Signators Form, as specified by the Department, from the Contractor.

C. The Contractor shall not advertise or solicit bids for construction or rehabilitation of a project assisted with funds provided under this contract until the Contractor has received the applicable prevailing wage rates from the Department.

D. In accordance with Section 18 of this contract, this contract shall terminate six (6) months after the commencement date specified in Section 2 unless activities specified in Section 20 or listed under Section 22 funded under this contract have begun by such date.

E. Public buildings, facilities, centers, constructed with Texas Department of Rural Affairs (TDRA) Community Development Block Grant (CDBG) assistance shall have permanent signage placed in a prominent visible public area with the wording provided below. The formatting of such signage will be at local discretion to best fit the architectural design of the facility constructed but should be legible from at least three feet distance.

Other construction projects, e.g., water transmission lines, sewer collection lines, drainage, roadways, housing rehabilitation, etc. utilizing TDRA CDBG funding shall have temporary signage erected in a prominent location at the construction project site or along a major thoroughfare within the locality as directed by the owner.

Project Sign Wording:

"This project is funded by the Texas Department of Rural Affairs of the State of Texas, to strengthen and enhance the quality of life in smaller and rural communities with funds allocated by the United States Department of Housing and Urban Development through the Community Development Block Grant Program."

F. The Department shall not be liable for costs incurred or performances rendered by the Contractor before commencement of this contract or after termination of this contract, unless (a) the costs are specifically identified in Exhibit A, Performance Statement and Exhibit B, Budget, of this contract, (b) the costs incurred by the Contractor were for otherwise allowable pre-agreement program costs that were incurred on or after April 24, 2009 and (c) the Contractor complied with all the Department's requirements applicable to Texas CDBG grants, including all applicable state and federal laws, such as procurement procedures, applicable environmental, labor, civil rights and acquisition requirements, all provisions of this contract, and all applicable Texas CDBG policies and procedures.

G. If the contract ends without any project beneficiaries resulting from the use of contract funds, the Contractor shall be required to reimburse to the Department all contract funds disbursed previously, including but not limited to funds disbursed for administration and engineering services. The Contractor shall be required to repay the funds within 60 days after the receipt of notice by the Department to the Contractor that funds must be repaid.

H. The Department will consider an extension of the term of the contract only if the Contractor has requested funds under this contract, in accordance with applicable requirements, from the Department by the end date of the original contract period for activities in Budget categories 1 through 29 as shown in Exhibit B in an aggregate amount of five percent (5%) of the contract funds in Budget categories 1 through 29. The Department may allow an extension without receipt of a request in the amount of at least 5 percent as specified in this paragraph if the project involves construction being financed by another state or federal entity that must occur prior to initiation of construction or other project activities financed with Department funds under this contract.

SECTION 23. DEBARMENT

A. By signing this contract, the Contractor certifies that it will not award any funds provided under this contract to any party which is debarred, suspended or otherwise excluded from or ineligible for participation in federal assistance programs under Executive Order 12549 and 24 CFR Part 24. The Contractor shall receive the certification provided by the Department from each proposed subcontractor under this contract and its principals.

B. By signing this contract, the Contractor certifies that it is not debarred, suspended or otherwise excluded from or ineligible for participation in federal assistance programs under Executive Order 12549 and 24 CFR Part 24. Further, the Contractor is required to immediately report to the Department if it is debarred, suspended or otherwise excluded from or ineligible for participation in federal assistance programs under Executive Order 12549 and 24 CFR Part 24.

SECTION 24. POLITICAL AID AND LEGISLATIVE INFLUENCE PROHIBITED

A. None of the funds provided under this contract shall be used for influencing the outcome of any election, or the passage or defeat of any legislative measure. This prohibition shall not be construed to prevent any official or employee of the Contractor from furnishing to any member of its governing body upon request, or to any other local or state official or employee or to any citizen information in the hands of the employee or official not considered under law to be confidential information. Any action taken against an employee or official for supplying such information shall subject the person initiating the action to immediate dismissal from employment.

B. No funds provided under this contract may be used directly or indirectly to hire employees or in any other way fund or support candidates for the legislative, executive, or judicial branches of government of the Contractor, the State of Texas, or the government of the United States.

SECTION 25. FRAUD, ABUSE, AND MISMANAGEMENT

The Contractor must take steps, as directed by the Department , to avoid or mitigate occurrences of fraud, abuse, and mismanagement especially with respect to the financial management of this contract and procurements made under this contract. Upon the discovery of such alleged or suspected fraud, the Contractor shall immediately notify the Department and appropriate law enforcement authorities, if necessary, of the theft of any assets provided for under this contract, malfeasance, abuse of power or authority, kickbacks, or the embezzlement or loss of any funds under this contract.

SECTION 26. ORAL AND WRITTEN AGREEMENTS

A. All oral and written agreements between the parties to this contract relating to the subject matter of this contract that were made prior to the execution of this contract have been reduced to writing and are contained in this contract.

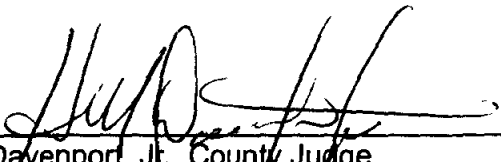
B. The attachments enumerated and denominated below are hereby made a part of this contract, and constitute promised performances by the Contractor in accordance with Section 3 of this contract:

- 1. Exhibit A, Performance Statement, 2 Pages
- 2. Exhibit B, Budget, 2 Pages
- 3. Exhibit C, Project Implementation Schedule, 1 Page
- 4. Exhibit D, Applicable Laws and Regulations, 3 Pages
- 5. Exhibit E, Certifications, 2 Pages

SECTION 27. VENUE

For purposes of litigation pursuant to this contract, venue shall lie in Travis County, Texas.

WITNESS OUR HANDS EFFECTIVE June 3, 2010.



 H.M. Davenport, Jr., County Judge
 County of Navarro

Approved and accepted on behalf of the Texas Department of Rural Affairs.



 Charles S. (Charlie) Stone, Executive Director
 Texas Department of Rural Affairs

This contract is not effective unless signed by the Executive Director of the Texas Department of Rural Affairs or by the Executive Director's authorized designee.

EXHIBIT A

CONTRACT NO. 710017

PERFORMANCE STATEMENT

County of Navarro

Contractor shall carry out the following activities in the target area identified in its 2010 Disaster Relief Fund application. The persons to benefit from the activities described in this Performance Statement must be receiving service or a benefit from the use of the new or improved facilities and activities for the contract obligations to be fulfilled. The Contractor shall ensure that the amount of funds expended for each activity described does not exceed the amount specified for such activity in Exhibit B, Budget.

Street Improvements

Contractor shall repair to county roads damaged in Precinct 3 from April 24-30, 2009, heavy rains. Contractor shall utilize base, millings, rock rip-rap, washrock, concrete, and approximately forty feet (40 ft.) of seventy-two inch (72") culvert. Force account labor and county equipment shall be utilized.

Construction shall take place in the southern part of Precinct 3 at the following locations:

Precinct 3				
SW 4250	SW 2230	SW 4179 - west	SW 4179 - east	SW 3175
SW 2386	SW 2090	SW 2410	SW 2420	SW 2380
SW 2340	SE 2230	SE 1020	SE 1040	SE 1060

These activities shall benefit five thousand three hundred twenty-eight (5,328) persons, of which one thousand eight hundred twenty-eight (1,828) or thirty-four percent (34%) are of low to moderate income.

Flood and Drainage Improvements

Contractor shall utilize contract funds for flood and drainage improvements caused by April 24-30, 2009, heavy rains in Precinct 3. Contractor shall install eight feet (8') culverts, backfill, rip/rap, base, and utilize force account and county equipment. The location of the drainage improvements is on county road SE 1080.

These activities shall benefit five thousand three hundred twenty-eight (5,328) persons, of which one thousand eight hundred twenty-eight (1,828) or thirty-four percent (34%) are of low to moderate income.

Contractor shall utilize contract funds as the twenty-five percent (25%) match toward an award from the Natural Resources Conservation Service (NRCS) for drainage improvements in Precincts 2 and 3 as a result of April 24-30, 2009, heavy rains. Construction shall consist of site preparation for headwalls at seven (7) sites, installation headwalls, site preparation for rip-rap at four (4) sites, installation of rip-rap, removal of damaged culverts, debris removal at two (2) sites, and mobilization and demobilization at eleven (11) sites.

The locations are as follows:

Precinct 2		
SE 3100	SE 2240	SE 2260
NE 0040	NE 2010	SE 4090
SE 3230	SE 3020	NE 3140
SE 3130		

Precinct 3	
SW 2390	SW 2300

Precinct 2		
N2-1	N2-2	N2-3
N2-4	N2-5	N2-6
N2-7	N2-7	N2-9

Precinct 3	
N3-1	N3-2

These activities shall benefit seven thousand two hundred twenty-nine (7,229) persons, of which two thousand four hundred sixty-seven (2,467) or thirty-four percent (34%) are of low to moderate income.

Administration

Contractor shall ensure that the amount of the Department funds expended for all eligible project-related administration activities, including the required annual program compliance and fiscal audit does not exceed the amount specified for administration in Exhibit B, Budget.

EXHIBIT B
CONTRACT NO. 710017
BUDGET

County of Navarro

<u>LINE</u>	<u>CATEGORIES</u>	<u>CONTRACT FUNDS</u>	<u>OTHER FUNDS</u>	<u>TOTAL</u>
1a.	Water Facilities	\$	\$	\$
1b.	Sewer Facilities	\$	\$	\$
2.	Solid Waste Disposal Facilities	\$	\$	\$
3.	Other Public Utilities	\$	\$	\$
4.	Street Improvements	\$ 52,487	\$ -0-	\$ 52,487
5.	Flood and Drainage Facilities	\$ 168,340	\$ 449,760*	\$ 618,100
6.	Neighborhood Facilities/ Community Centers	\$	\$	\$
7.	Senior Centers	\$	\$	\$
8.	Centers for the Handicapped/ Sheltered Workshops	\$	\$	\$
9.	Parks, Playgrounds, and Other Recreational Facilities	\$	\$	\$
10.	Fire Protections Facilities and Equipment	\$	\$	\$
11.	Parking Facilities	\$	\$	\$
12.	Pedestrian Malls and Walkways	\$	\$	\$
13.	Specially Authorized Assistance to Privately Owned Utilities	\$	\$	\$
14.	Specially Authorized Public Facilities and Improvements	\$	\$	\$
15.	Public Services (LIMITED TO 15% OF REQUEST)	\$	\$	\$
16.	Interim Assistance	\$	\$	\$

<u>LINE</u>	<u>CATEGORIES</u>	<u>CONTRACT FUNDS</u>	<u>OTHER FUNDS</u>	<u>TOTAL</u>
17.	Rehabilitation of Private Properties (Housing)	\$	\$	\$
17a.	Rehabilitation of Private Properties (Water Service)	\$	\$	\$
17b.	Rehabilitation of Private Properties (Sewer Service)	\$	\$	\$
18.	Rehabilitation of Public Residential Structures	\$	\$	\$
19.	Public Housing Modernization	\$	\$	\$
20.	Clearance Demolition Activities	\$	\$	\$
21.	Historic Preservation	\$	\$	\$
22.	Removal of Architectural Barriers	\$	\$	\$
23.	Code Enforcement	\$	\$	\$
24.	Acquisition	\$	\$	\$
25.	Relocation Payments & Assistance	\$	\$	\$
26.	Economic Development Loan	\$	\$	\$
27.	Economic Devel. Interest Subsidy	\$	\$	\$
28.	Economic Devel. Loan Guarantee	\$	\$	\$
29.	Special Activities by Local Devel Corporations, Etc.	\$	\$	\$
30.	Engineering/Architectural Serv. (Total for all construction accounts)	\$	\$	\$
31.	Planning & Urban Env. Design (NOT TO EXCEED 16%)	\$	\$	\$
32.	General Administration	\$ 34,000	\$ -0-	\$ 34,000
TOTALS		\$ 254,827	\$ 449,760*	\$ 704,587

(*Natural Resources Conservation Service)

EXHIBIT C

PROJECT IMPLEMENTATION SCHEDULE

CONTRACT NUMBER 710017

County of Navarro

Activity	Completed by Last Day of Month:	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24
Procurement of Professional Services Completed		X																							
Plans and Specifications Completed						X																			
Plans and Specifications Submitted for Approval						X																			
Environmental Review Completed						X																			
Clearance of Special Conditions								X																	
Wage Rate Request/Decision/10-Day Call								X																	
Bid Advertisement / Construction Contract Awarded									X																
Construction - 50% TxCDBG project complete														X											
Construction - 50% TxCDBG funds requested from Department															X										
Construction - 75% TxCDBG project complete																	X								
Construction - 75% TxCDBG funds requested from Department																		X							
Construction - 90% TxCDBG project complete																			X						
Construction - 90% TxCDBG funds requested from Department																				X					
Final Inspections Completed																					X				
General Administration																									X
Close-out documents submitted to Department																									X

CONTRACT START DATE

CONTRACT ENDING DATE

June 3, 2010

June 2, 2012

11

EXHIBIT D

THE APPLICABLE LAWS AND REGULATIONS

The Contractor shall comply with the Act and Regulations specified in Section 3 of this contract and with the OMB Circular and federal regulations specified in Section 6 of this contract; Cash Management Improvement Act regulations (31 C.F.R. Part 205); and with all other federal, state, and local laws and regulations applicable to the activities and performances rendered by the Contractor under this contract including but not limited to the laws, and the regulations promulgated thereunder specified in Section I through VII of this Exhibit D.

I. CIVIL RIGHTS

Title VI of the Civil Rights Act of 1964, (42 U.S.C. Section 2000d et seq.); 24 C.F.R. Part I, "Nondiscrimination in Federally Assisted Programs of the Department of Housing and Urban Development - Effectuation of Title VI of the Civil Rights Act of 1964";

Title VIII of the Civil Rights Act of 1968, "The Fair Housing Act of 1968" (42 U.S.C. Sec 3601 et seq.), as amended;

Executive Order 11063, as amended by Executive Order 12259, and 24 C. F.R. Part 107, "Nondiscrimination and Equal Opportunity in Housing under Executive Order 11063". The failure or refusal of the Contractor to comply with the requirements of Executive Order 11063 or 24 C.F.R. Part 107 shall be a proper basis for the imposition of sanctions specified in 24 C.F.R. 107.60;

The Age Discrimination Act of 1975 (42 U.S.C. Sec. 6101 et seq.);

Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. Sec. 794.) and "Nondiscrimination Based on Handicap in Federally-Assisted Programs and Activities of the Department of Housing and Urban Development", 24 C.F.R. Part 8. By signing this contract, the Contractor understands and agrees that the activities funded shall be operated in accordance with 24 C.F.R. Part 8; and the Architectural Barriers Act of 1968 (42 U.S.C. Sec. 4151 et seq.), including the use of a telecommunications device for deaf persons (TDDs) or equally effective communication system.

II. LABOR STANDARDS

The Davis-Bacon Act, as amended (40 U.S.C. Secs. 276a - 276a-5);

The Contract Work Hours & Safety Standards Act (40 U.S.C. 327 et seq.);

The Copeland "Anti-Kickback" Act (18 U.S.C. Sec. 874).

III. EMPLOYMENT OPPORTUNITIES

Section 3 of the Housing and Urban Development Act of 1968 (12 U.S.C. Sec.1701u).

IV. LEAD-BASED PAINT

Section 302 of the Lead-Based Paint Poisoning Prevention Act (42 U.S.C. Sec. 4831(b)) and the procedures established by the Department thereunder.

V. ENVIRONMENTAL LAW AND AUTHORITIES

Environmental Review Procedures for Recipients assuming HUD Environmental Responsibilities, 24 CFR Part 58, as amended.

In accordance with the provisions of law cited in §58.1(b), the responsible entity must assume the environmental responsibilities for projects under programs cited in §58.1(b), and in doing so must comply with the provisions of the National Environmental Policy Act of 1969, as amended and the Council on Environmental Quality regulations contained in 40 CFR parts 1500 through 1508. This includes responsibility for compliance with the applicable provisions and requirements of the Federal laws and authorities specified in §58.5 [below]. The responsible entity must certify that it has complied with the requirements that would apply to HUD under these laws and authorities and must consider the criteria, standards, policies and regulations of these laws and authorities.

(a) Historic Properties

- (1) The National Historic Preservation Act of 1966 as amended (16 U.S.C. 470 *et seq.*), particularly sections 106 and 110 (16 U.S.C. 470 and 470h-2), except as provided in §58.17 for Section 17 projects.
- (2) Executive Order 11593, Protection and Enhancement of the Cultural Environment, May 13, 1971 (36 FR 8921),
- (3) Federal historic preservation regulations as follows: 36 CFR part 800 with respect to HUD programs.
- (4) The Reservoir Salvage Act of 1960 as amended by the Archeological and Historic Preservation Act of 1974 (16 U.S.C. 469 *et seq.*), particularly section 3 (16 U.S.C. 469a-1).

(b) Floodplain management and wetland protection

- (1) Executive Order 11988, Floodplain Management, May 24, 1977 (42 FR 26951), as interpreted in HUD regulations at 24 CFR part 55, particularly section 2(a) of the order (For an explanation of the relationship between the decision-making process in 24 CFR part 55 and Part 58, see §55.10 of this subtitle A.)
- (2) Executive Order 11990, Protection of Wetlands, May 24, 1977 (42 FR 26961),

(c) Coastal Zone Management

- (1) The Coastal Zone Management Act of 1972 (16 U.S.C. 1451 *et seq.*), as amended, particularly sections 307(c) and (d) (16 U.S.C. 1456(c) and (d)).

(d) Sole source aquifers

- (1) The Safe Drinking Water Act of 1974 (42 U.S.C. 201, 300f *et seq.*, and 21 U.S.C. 349) as amended; particularly section 1424(e)(42 U.S.C. 300h-3(e)).
- (2) Sole Source Aquifers (Environmental Protection Agency-40 CFR part 149.)

(e) Endangered species

- (1) The Endangered Species Act of 1973 (16 U.S.C. 1531 *et seq.*) as amended, particularly section 7 (16 U.S.C. 1536)

(f) Wild and scenic rivers

- (1) The Wild and Scenic Rivers Act of 1968 (16 U.S.C. 1271 *et seq.*) as amended, particularly sections 7(b) and (c) (16 U.S.C. 1278(b) and (c)).

(g) Air quality

- (1) The Clean Air Act (42 U.S.C. 7401 *et seq.*) as amended, particularly sections 176(c) and (d) (42 U.S.C. 7506(c) and (d)).
- (2) Determining Conformity of Federal Actions to State or Federal Implementation Plans (Environmental Protection Agency-40 CFR parts 6, 51, and 93).

(h) Farmland protection

- (1) Farmland Protection Policy Act of 1981 (7 U.S.C. 4201 *et seq.*) particularly sections 1540(b) and 1541 (7 U.S.C. 4201(b) and 4202).
- (2) Farmland Protection Policy (Department of Agriculture-7 CFR part 658).

(i) HUD environmental standards

- (1) Applicable criteria and standards specified in HUD environmental regulations (24 CFR part 51) other than the runway clear zone and clear zone notification requirement in 24 CFR 51.303(a)(3).
- (2) HUD Notice 79-33, Policy Guidance to Address the Problems Posed by Toxic Chemicals and Radioactive Materials, September 10, 1979. All properties that are being proposed for use must be free of hazardous materials, contamination, toxic chemicals and gases, and radioactive substances, where a hazard could affect the health and safety of occupants or conflict with the intended utilization of the property. The environmental review of non-residential property, (or multi-family housing with five or more dwelling units, including leasing) must include the evaluation of previous uses of the site or other evidence of contamination on or near the site, to ensure that the occupants of proposed sites are not adversely affected by any hazards. Particular attention must be given to any proposed site on or in the general proximity of such areas as dumps, landfills, industrial sites, or other locations that contain, or may have contained, hazardous wastes. The Contractor shall use current techniques by qualified professionals to undertake investigations determined necessary.

(j) Environmental justice

- (1) Executive Order 12898 of February 11, 1994 --- Federal Actions to Address Environmental Justice in Minority Populations and Low-Income Populations, (59 FR 7629).

(k) Other requirements - See 24 CFR Part 58.6.VI. ACQUISITION/RELOCATION

The Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (42 U.S.C. Sec. 4601 *et seq.*), 24 C.F.R. Part 42, and 24 C.F.R. Section 570.606.

VII. FAITH-BASED ACTIVITIES

Executive Order 13279 of December 12, 2002 - Equal Protection of the Laws for Faith-Based and Community Organizations, (67 FR 77141)

EXHIBIT E
CERTIFICATIONS

WITH RESPECT TO THE EXPENDITURE OF FUNDS PROVIDED UNDER THIS CONTRACT BY THE County of Navarro, THAT;

(1) IT WILL MINIMIZE DISPLACEMENT OF PERSONS AS A RESULT OF ACTIVITIES ASSISTED WITH SUCH FUNDS;

(2) THE PROGRAM WILL BE CONDUCTED AND ADMINISTERED IN CONFORMITY WITH THE CIVIL RIGHTS ACT OF 1964 (42 U.S.C. SEC. 2000a et seq.) AND THE FAIR HOUSING ACT (42 U.S.C. SEC 3901 et seq.), AND THAT IT WILL AFFIRMATIVELY FURTHER FAIR HOUSING, AS SPECIFIED BY THE DEPARTMENT;

(3) IT WILL PROVIDE FOR OPPORTUNITIES FOR CITIZEN PARTICIPATION, HEARINGS AND ACCESS TO INFORMATION WITH RESPECT TO ITS COMMUNITY DEVELOPMENT PROGRAMS, AS SPECIFIED BY THE DEPARTMENT;

(4) IT WILL NOT ATTEMPT TO RECOVER ANY CAPITAL COSTS OF PUBLIC IMPROVEMENTS ASSISTED IN WHOLE OR IN PART WITH SUCH FUNDS BY ASSESSING ANY AMOUNT AGAINST PROPERTIES OWNED AND OCCUPIED BY PERSONS OF LOW AND MODERATE INCOME, INCLUDING ANY FEE CHARGED OR ASSESSMENT MADE AS A CONDITION OF OBTAINING ACCESS TO SUCH PUBLIC IMPROVEMENTS UNLESS (A) SUCH FUNDS ARE USED TO PAY THE PROPORTION OF SUCH FEE OR ASSESSMENT THAT RELATED TO THE CAPITAL COSTS OF SUCH PUBLIC IMPROVEMENTS THAT ARE FINANCED FROM REVENUE SOURCES OTHER THAN SUCH FUNDS; OR (B) FOR PURPOSES OF ASSESSING ANY AMOUNT AGAINST PROPERTIES OWNED AND OCCUPIED BY PERSONS OF MODERATE INCOME, THE CONTRACTOR CERTIFIES THAT IT LACKS SUFFICIENT FUNDS UNDER THIS CONTRACT TO COMPLY WITH THE REQUIREMENTS OF CLAUSE (A).

(5) IN THE EVENT THAT DISPLACEMENT OF RESIDENTIAL DWELLINGS WILL OCCUR IN CONNECTION WITH A PROJECT ASSISTED WITH TCDP FUNDS, IT WILL FOLLOW A RESIDENTIAL ANTIDISPLACEMENT AND RELOCATION ASSISTANCE PLAN, AS SPECIFIED BY THE DEPARTMENT.

(6) IT SHALL ADOPT AND ENFORCE A POLICY PROHIBITING THE USE OF EXCESSIVE FORCE BY LAW ENFORCEMENT AGENCIES WITHIN ITS JURISDICTION AGAINST ANY INDIVIDUAL ENGAGED IN NONVIOLENT CIVIL RIGHTS DEMONSTRATIONS AND A POLICY OF ENFORCING APPLICABLE STATE AND LOCAL LAWS AGAINST PHYSICALLY BARRING ENTRANCE TO OR EXIT FROM A FACILITY OR LOCATION WHICH IS THE SUBJECT OF SUCH NONVIOLENT CIVIL RIGHTS DEMONSTRATION WITHIN ITS JURISDICTION.

**CERTIFICATION REGARDING LOBBYING FOR
CONTRACTS, GRANTS, LOANS, AND COOPERATIVE AGREEMENTS**

County of Navarro

CERTIFIES, TO THE BEST OF ITS KNOWLEDGE AND BELIEF, THAT:

(1) NO FEDERAL APPROPRIATED FUNDS HAVE BEEN PAID OR WILL BE PAID, BY OR ON BEHALF OF THE UNDERSIGNED, TO ANY PERSON FOR INFLUENCING OR ATTEMPTING TO INFLUENCE AN OFFICER OR EMPLOYEE OF AN AGENCY, A MEMBER OF CONGRESS, AN OFFICER OR EMPLOYEE OF CONGRESS, OR AN EMPLOYEE OF A MEMBER OF CONGRESS IN CONNECTION WITH THE AWARDING OF ANY FEDERAL CONTRACT, THE MAKING OF ANY FEDERAL GRANT, THE MAKING OF ANY FEDERAL LOAN, THE ENTERING INTO OF ANY COOPERATIVE AGREEMENT, AND THE EXTENSION, CONTINUATION, RENEWAL, AMENDMENT, OR MODIFICATION OF ANY FEDERAL CONTRACT, GRANT, LOAN, OR COOPERATIVE AGREEMENT.

(2) IF ANY FUNDS OTHER THAN FEDERAL APPROPRIATED FUNDS HAVE BEEN PAID OR WILL BE PAID TO ANY PERSON FOR INFLUENCING OR ATTEMPTING TO INFLUENCE AN OFFICER OR EMPLOYEE OF ANY AGENCY, A MEMBER OF CONGRESS, AN OFFICER OR EMPLOYEE OF CONGRESS, OR AN EMPLOYEE OF A MEMBER OF CONGRESS IN CONNECTION WITH THIS FEDERAL CONTRACT, GRANT, LOAN, OR COOPERATIVE AGREEMENT, THE UNDERSIGNED SHALL COMPLETE AND SUBMIT STANDARD FORM - LLL, "DISCLOSURE FORM TO REPORT LOBBYING", IN ACCORDANCE WITH ITS INSTRUCTIONS.

(3) THE UNDERSIGNED SHALL REQUIRE THAT THE LANGUAGE OF THIS CERTIFICATION BE INCLUDED IN THE AWARD DOCUMENTS FOR ALL SUBAWARDS AT ALL TIERS (INCLUDING SUBCONTRACTS, SUBGRANTS, AND CONTRACTS UNDER GRANTS, LOANS, AND COOPERATIVE AGREEMENTS) AND THAT ALL SUBRECIPIENTS SHALL CERTIFY AND DISCLOSE ACCORDINGLY.

THIS CERTIFICATION IS A MATERIAL REPRESENTATION OF FACT WHICH RELIANCE WAS PLACED WHEN THIS TRANSACTION WAS MADE OR ENTERED INTO. SUBMISSION OF THIS CERTIFICATION IS A PREREQUISITE FOR MAKING OR ENTERING INTO THIS TRANSACTION IMPOSED BY SECTION 1352, TITLE 31, U.S. CODE. ANY PERSON WHO FAILS TO FILE THE REQUIRED CERTIFICATION SHALL BE SUBJECT TO A CIVIL PENALTY OF NOT LESS THAN \$10,000 AND NOT MORE THAN \$100,000 FOR EACH SUCH FAILURE.

PLEASE COMPLETE / SIGN AND RETURN ONE COPY WITH CONTRACT
Certification of Exemption for HUD funded projects

Determination of activities listed at 24 CFR 58.34(a)
May be subject to provisions of Sec 58.6, as applicable

Grant Recipient: NAVARRO County Project Name: EWP
Project Description (Include all actions which are either geographically or functionally related):

Location: _____
Funding Source: CDBG HOME EDI Other: _____
Funding Amount: _____ Grant Number: _____

I hereby certify that the abovementioned project has been reviewed and determined an Exempt activity per 24 CFR 58.34(a) as follows:

	1. Environmental & other studies, resource identification & the development of plans & strategies;
	2. Information and financial services;
XX	3. Administrative and management activities;
	4. Public services that will not have a physical impact or result in any physical changes, including but not limited to services concerned with employment, crime prevention, child care, health, drug abuse, education, counseling, energy conservation and welfare or recreational needs;
	5. Inspections and testing of properties for hazards or defects;
	6. Purchase of insurance;
	7. Purchase of tools;
XX	8. Engineering or design costs;
	9. Technical assistance and training;
	10. Assistance for temporary or permanent improvements that do not alter environmental conditions and are limited to protection, repair, or restoration activities necessary only to control or arrest the effects from disasters or imminent threats to public safety including those resulting from physical deterioration;
	11. Payment of principal and interest on loans made or obligations guaranteed by HUD;
	12. Any of the categorical exclusions listed in Sec. 58.35(a) provided that there are no circumstances that require compliance with any other Federal laws and authorities cited in Sec. 58.5.

If your project falls into any of the above categories, no Request for Release of Funds (RROF) is required, and no further environmental approval from HUD will be needed by the recipient for the draw-down of funds to carry out exempt activities and projects. The responsible entity must maintain this document as a written record of the environmental review undertaken under this part for each project.

By signing below the Responsible Entity certifies in writing that each activity or project is exempt and meets the conditions specified for such exemption under section 24 CFR 58.34(a). Please keep a copy of this determination in your project files.

H. M. DAVENTON, Jr
Responsible Entity Certifying Official Name
[Signature]
Responsible Entity Certifying Official Signature

NAVARRO Co. Judge
Title (please print)
6-16-10
Date

PLEASE COMPLETE / SIGN AND RETURN ONE COPY WITH CONTRACT
Compliance Documentation Checklist
24 CFR 58.6

Grant Recipient: NAVARRO County Project Name: EWP
Project Description (Include all actions which are either geographically or functionally related):

Level of Environmental Review Determination: _____
Select One: (1) Exempt per 24 CFR 58.34, or (2) Categorically Excluded not subject to statutes per § 58.35(b), or (3) Categorically Excluded subject to statutes per § 58.35(a), or (4) Environmental Assessment per § 58.36, or (5) EIS per 40 CFR 1500

STATUTES and REGULATIONS listed at 24 CFR 58.6

FLOOD DISASTER PROTECTION ACT

1. Does the project involve acquisition, construction or rehabilitation of structures located in a FEMA-identified Special Flood Hazard?

- No; Cite Source Document: _____
- Yes; Source Document: _____

2. Is the community participating in the National Insurance Program (or has less than one year passed since FEMA notification of Special Flood Hazards)?

- Yes (Flood Insurance under the National Flood Insurance Program must be obtained and maintained for the economic life of the project, in the amount of the total project cost. A copy of the flood insurance policy declaration must be kept on file). (**Appendix I**)
- No (**Federal assistance may not be used in the Special Flood Hazards Area**).

COASTAL BARRIERS RESOURCES ACT

1. Is the project located in a coastal barrier resource area?

- No; Cite Source Documentation:
(This element is completed).
- Yes - **Federal assistance may not be used in such an area.**

AIRPORT RUNWAY CLEAR ZONES AND CLEAR ZONES DISCLOSURES

1. Does the project involve the sale or acquisition of existing property within a Civil Airport's Runway Clear Zone or a Military Installation's Clear Zone?

- No; Source Documentation: _____

Project complies with 24 CFR 51.303(a)(3).

- Yes; **Disclosure statement must be provided** to buyer and a copy of the signed disclosure must be maintained in this Environmental Review Record (**Appendix II**)

Prepared by (name and title, please print): _____

Signature: _____

Date: _____

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Request for Release of Funds and Certification

U.S. Department of Housing and Urban Development
Office of Community Planning and Development

OMB No. 2506-0087
(exp. 3/31/2011)

This form is to be used by Responsible Entities and Recipients (as defined in 24 CFR 58.2) when requesting the release of funds, and requesting the authority to use such funds, for HUD programs identified by statutes that provide for the assumption of the environmental review responsibility by units of general local government and States. Public reporting burden for this collection of information is estimated to average 36 minutes per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. This agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless that collection displays a valid OMB control number.

Part 1. Program Description and Request for Release of Funds (to be completed by Responsible Entity)

1. Program Title(s) Community Development Block Grant	2. HUD/State Identification Number (HUD GRANT NUMBER) Navarro Countydis09	3. Recipient Identification Number (optional)
4. OMB Catalog Number(s) CFDA No. 14.218	5. Name and address of responsible entity Navarro County H. M. Davenport, Jr., County Judge 300 W. Third Avenue Corsicana, TX 75110	
6. For information about this request, contact (name & phone number) H. M. Davenport, Jr., County Judge (903) 654-3025	7. Name and address of recipient (if different than responsible entity)	
8. HUD or State Agency and office unit to receive request Texas Department of Rural Affairs Environmental Regulatory Officer 1340 Airport Commerce Drive, Building 4, Suite 490 Austin, Texas 78741		

The recipient(s) of assistance under the program(s) listed above requests the release of funds and removal of environmental grant conditions governing the use of the assistance for the following

9. Program Activity(ies)/Project Name(s) Road and drainage system reconstruction	10. Location (Street address, city, county, State) Navarro County, Texas: (Precinct 2): N2-1 SE 3100; N2-2 SE 2240 & 2260; N2-3 NE 0040; N2-4 NE 2010; N2-5 SE 4090; N2-6 SE 3230; N2-7 SE 3020; N2-8 NE 3140; N2-9 SE 3130 (Precinct 2) N3-1 SW 2390; N3-2 SW 2300; SE 1080. ROADS: SW 4250; SW 2230; SW 4170 – west; SW 4170 – east; SW 3175; SW 2386; SW 2090; SW 2410; SW 2420; SW 2380; SW 2340; SE 2230; SE 1020; SE 1040; SE 1060.
--	---

11. Program Activity/Project Description (including grant amount)

During the period of April 24 - 30, 2009, Navarro County experienced severe flooding as a result of numerous heavy thunderstorms. There was substantial rainfall and the subsequent storm water runoff caused extensive damage to both public and private property. Precincts 2 and 3 experienced the most damage as many roadways and water crossings were damaged and made impassable. Debris was also scattered which blocked roads and culverts. The problems being addressed by this request for assistance concerns damaged roads and culvert water crossings in Precincts 2 and 3.

Road and drainage system reconstruction will repair storm damaged water crossings and allow the free movement of persons and emergency services.

The project will cost approximately \$704,587, \$254,827 of which will be paid for with a grant from the Texas Department of Rural Affairs.

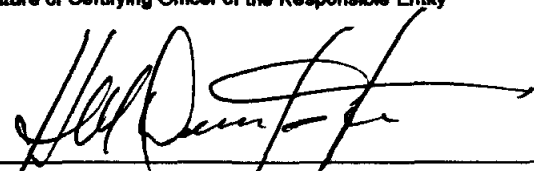
Part 2. Environmental Certification (to be completed by responsible entity)

With reference to the above Program Activity(ies)/Project(s), I, the undersigned officer of the responsible entity, certify that:

1. The responsible entity has fully carried out its responsibilities for environmental review, decision-making and action pertaining to the project(s) named above.
2. The responsible entity has assumed responsibility for and complied with and will continue to comply with, the National Environmental Policy Act of 1969, as amended, and the environmental procedures, permit requirements and statutory obligations of the laws cited in 24 CFR 58.5; and also agrees to comply with the authorities in 24 CFR 58.6 and applicable State and local laws.
3. After considering the type and degree of environmental effects identified by the environmental review completed for the proposed project described in Part 1 of this request, I have found that the proposal did did not require the preparation and dissemination of an environmental impact statement.
4. The responsible entity has disseminated and/or published in the manner prescribed by 24 CFR 58.43 and 58.55 a notice to the public in accordance with 24 CFR 58.70 and as evidenced by the attached copy (copies) or evidence of posting and mailing procedure.
5. The dates for all statutory and regulatory time periods for review, comment or other action are in compliance with procedures and requirements of 24 CFR Part 58.
6. In accordance with 24 CFR 58.71(b), the responsible entity will advise the recipient (if different from the responsible entity) of any special environmental conditions that must be adhered to in carrying out the project.

As the duly designated certifying official of the responsible entity, I also certify that:

7. I am authorized to and do consent to assume the status of Federal official under the National Environmental Policy Act of 1969 and each provision of law designated in the 24 CFR 58.5 list of NEPA-related authorities insofar as the provisions of these laws apply to the HUD responsibilities for environmental review, decision-making and action that have been assumed by the responsible entity.
8. I am authorized to and do accept, on behalf of the recipient personally, the jurisdiction of the Federal courts for the enforcement of all these responsibilities, in my capacity as certifying officer of the responsible entity.

Signature of Certifying Officer of the Responsible Entity 	Name & Title of Certifying Officer H. M. Davenport, Jr., County Judge Date signed 6/21/10
--	---

Address of Certifying Officer
Navarro County
H. M. Davenport, Jr., County Judge
300 W. Third Avenue
Corsicana, TX 75110

Part 3. To be completed when the Recipient is not the Responsible Entity

The recipient requests the release of funds for the programs and activities identified in Part 1 and agrees to abide by the special conditions, procedures and requirements of the environmental review and to advise the responsible entity of any proposed change in the scope of the project or any change in environmental conditions in accordance with 24 CFR 58.71(b).

Signature of Authorized Officer of the Recipient 	Name & Title of Authorized Officer Date signed
--	---

Warning: HUD will prosecute false claims and statements. Conviction may result in criminal and/or civil penalties. (18 U.S.C. 1001, 1010, 1012; 31 U.S.C. 3729, 3802)

Project Description Sheet

(for use when a Request for Release of Funds is not Required (HUD Form 7015.15))

CONTRACTOR LOCALITY: **Navarro County**

DATE SUBMITTED: 6/21/10

CHIEF ELECTED OFFICIAL: **H. M. Davenport, Jr., County Judge**

TXCDBG CONTRACT NO: **Navarro Countydis09**

PROJECT NAME:

Navarro County 2010 Disaster Grant - Road/Drainage

PROJECT NARRATIVE:

Include the Following:

Brief description of activity including construction and end product

Road and drainage system reconstruction will repair storm damaged water crossings and allow the free movement of persons and emergency services.

Construction time-frame

Project should bid within 6 months of contract execution with TDRA and construction should be complete within 18 months after bids have been opened and a contract awarded.

Purpose and size of project (Example- Water line replacement; first time water service) materials proposed

The purpose of this project is to reconstruct roads and drainage facilities damaged from severe flooding experienced from April 2009 floods. Materials include; rip/rap, chip seal, concrete, backfill, surface aggregate, road base, rock fill, and culverts.

What services and who will be served

This project will allow the free movement of persons and emergency services. The project will benefit approximately 7,229 residents currently in eastern and southern Navarro County.

Relocation

There will be no relocation associated with this project.

Project funding from all sources and total costs

The project will cost approximately \$704,587 and will be paid for with a grant from the Texas Department of Rural Affairs (\$254,827) and a grant from NRCS (\$449,760).

Types of construction (New construction, rehabilitation, conversion etc.)

This project will repair roads and replace culverts. Capacities will not be changed.

Project plans and studies conducted

A complete Environmental Assessment has been completed. No other studies have been conducted.

Public review process

The project was discussed at a public hearing prior to application submission. General support and no opposition to the project has been received from members of the public.

Description of project sites (with attached map) including location, size and present use

Roadway surfaces in the county primarily consist of crushed rock/asphalt/concrete with compacted base material. Roadway widths range from approximately 14 to 24 feet. With the exception of bar ditches, there are no curbs/gutters outside of urban areas.

Description of surrounding areas

Most of the surrounding areas would be described as vacant undeveloped / agriculture. According to on-site observation and local residents, the dominant vegetation cover types present in the area with is primarily stands of live oak, cedar elm and mountain cedar. Wildlife consists of cottontail rabbits, coyote, possum, racoon, stripped skunk and gray squirrel. Birds include mockingbird, English sparrow, red-tailed hawk, blue jay, black bird and starling.

COMPARISON WITH APPLICABLE PLANS

Factor	Project Is In Compliance		
	Yes	No (Explain)	N.A.
Local Comprehensive Plans Including Land Use and Growth Management Elements	<u> X </u>	<u> </u>	<u> </u>
Area and Regional Plans	<u> X </u>	<u> </u>	<u> </u>
Local Zoning Ordinances	<u> X </u>	<u> </u>	<u> </u>

Compliance Documentation Checklist

24 CFR 58.6

Grant Recipient: Navarro County Project Name Navarro County 2010 Disaster Grant- Road/Drainage

Project Description (Include all actions which are either geographically or functionally related):
Clean up and reconstruction of roads/drainage facilities.

Level of Environmental Review Determination: _____ (4)

Select One: (1) Exempt per 24 CFR 58.34, or (2) Categorically Excluded not subject to statutes per § 58.35(b), or (3) Categorically Excluded subject to statutes per § 58.35(a), or (4) Environmental Assessment per § 58.36, or (5) EIS per 40 CFR 1500

STATUTES and REGULATIONS listed at 24 CFR 58.6

FLOOD DISASTER PROTECTION ACT

1. Does the project involve acquisition, construction or rehabilitation of structures located in a FEMA-identified Special Flood Hazard?

No; Cite Source Document: _____

Yes; Source Document: FEMA Map #4809500007C, 4809500011C, 4809500012C, 4809500013C, 4809500014C

2. Is the community participating in the National Insurance Program (or has less than one year passed since FEMA notification of Special Flood Hazards)?

Yes (Flood Insurance under the National Flood Insurance Program must be obtained and maintained for the economic life of the project, in the amount of the total project cost. A copy of the flood insurance policy declaration must be kept on file). (Appendix I)

No (Federal assistance may not be used in the Special Flood Hazards Area).

COASTAL BARRIERS RESOURCES ACT

1. Is the project located in a coastal barrier resource area?

No; Cite Source Documentation: General Land Office / Google Maps
(This element is completed).

Yes - Federal assistance may not be used in such an area.

AIRPORT RUNWAY CLEAR ZONES AND CLEAR ZONES DISCLOSURES

1. Does the project involve the sale or acquisition of existing property within a Civil Airport's Runway Clear Zone or a Military Installation's Clear Zone?

No; Source Documentation: _____
Google Maps and on-site observation

Project complies with 24 CFR 51.303(a)(3).

Yes; Disclosure statement must be provided to buyer and a copy of the signed disclosure must be maintained in this Environmental Review Record (Appendix II)

Prepared by (name and title, please print) H. M. Davenport, Jr., County Judge

Signature: _____
Date: July 1 2016

AFFIDAVIT SUBMITTED BY
RUBY COKER
NAVARRO COUNTY TREASURER

STATE OF TEXAS

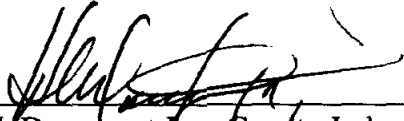
COUNTY OF NAVARRO

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 28th day of June, 2010 present to the Navarro County Commissioners Court the Monthly Financial Report for the month ending on May 31, 2010 for the court to review and approve. According to the report, Navarro County had cash on hand in the amount of \$1,571,334.07. Also, other assets totaling \$10,289,261.28 are being held by the Treasurer's office. The total interest for all accounts for the month of May, 2010 was \$3,588.34. The total disbursements for the month of May, 2010 were \$2,692,447.19. 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 28th day of June, 2010.



H. M. Davenport Jr. - County Judge




Faith Holt - Commissioner Pct 2



James Olsen - Commissioner Pct 4

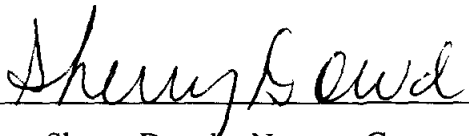


Kit Herrington - Commissioner Pct 1



David Warren - Commissioner Pct 3

SWORN AND SUBSCRIBED TO BEFORE ME, this 28th day of June, 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

