

NAVARRO COUNTY COMMISSIONER'S COURT

A REGULAR MEETING OF THE NAVARRO COUNTY COMMISSIONER'S COURT WAS HELD ON MONDAY THE, 14TH DAY OF FEBRUARY, 2011 AT 10:00 A.M., IN THE COUNTY COURTROOM AT THE NAVARRO COUNTY COURTHOUSE, CORSICANA, TEXAS. PRESIDING JUDGE HM DAVENPORT, COMMISSIONERS PRESENT KIT HERRINGTON, DICK MARTIN, DAVID WARREN, AND JAMES OLSEN

1. 10:00 A.M. MOTION TO CONVENE BY HERRINGTON SEC BY WARREN
ALL VOTED AYE MOTION CARRIED
2. OPENING PRAYER BY COMMISSIONER OLSEN
3. PLEDGE OF ALLEGIANCE
4. PUBLIC COMMENTS- NO COMMENTS

CONSENT AGENDA

- MOTION TO APPROVE CONSENT AGENDA 5-6 BY HERRINGTON SEC
BY WARREN
ALL VOTED AYE MOTION CARRIED
5. MOTION TO APPROVE MINUTES FROM THE PREVIOUS MEETING OF
JANUARY 21ST, 2011, AND JANUARY 24TH, 2011
6. MOTION TO APPROVE AND PAY BILLS AS SUBMITTED BY THE
COUNTY AUDITOR, INCLUDING CURRENT BILLS, AND PAYROLL
PAID 01/31/2011, INDIGENT BILLS (PAID 1/27/2011) UTILITIES (PAID
2/8/2011)

REGULAR AGENDA

7. MOTION TO APPROVE COUNTY AUDITOR TO ISSUE A REQUEST FOR
PROPOSALS FOR BANK DEPOSITORY CONTRACT BY OLSEN SEC BY
MARTIN
ALL VOTED AYE MOTION CARRIED
8. MOTION TO APPROVE BUDGET ADJUSTMENT REQUEST FROM
SHERIFF TO INCREASE SHERIFF SEIZURE LINE ITEM (960-560-575) BY
\$25,000 TO PURCHASE A VEHICLE BY MARTIN SEC BY WARREN
ALL VOTED AYE MOTION CARRIED **TO WIT PG 958**

9. MOTION TO APPROVE BUDGET ADJUSTMENT REQUEST FROM ALL JUSTICES OF THE PEACE TO BUDGET FOR APPROVED SALARY ADJUSTMENTS AND ELIMINATE ONE POSITION IN PRECINCT 4 BY JUDGE DAVENPORT SEC BY MARTIN **TO WIT PG 959**
ALL VOTED AYE MOTION CARRIED
10. MOTION TO APPROVE ELECTION SYSTEMS & SOFTWARE, INC. ELECTION SERVICES AGREEMENT RENEWAL FOR ELECTIONS DEPARTMENT BY OLSEN SEC BY WARREN **TO WIT PG 960-967**
ALL VOTED AYE MOTION CARRIED
11. MOTION TO APPROVE PREVENTATIVE MAINTENENACE CONTRACT RENEWAL BETWEEN ISI COMMERCIAL REFRIGERATION AND HIDTA BY MARTIN SEC BY OLSEN **TO WIT PG 968-980**
ALL VOTED AYE MOTION CARRIED
12. MOTION TO APPROVE CERTIFICATE OF COURSE COMPLETION ON THE OPEN MEETINGS ACT FOR DICK MARTIN BY MARTIN SEC BY WARREN **TO WIT PG 981**
ALL VOTED AYE MOTION CARRIED
13. MOTION TO APPROVE ACS AGREEMENT FOR COUNTY CLERKS OFFICE AND JUDGE TO SIGN AGREEMENT BY HERRINGTON SEC BY MARTIN **TO WIT PG 982-993**
ALL VOTED AYE MOTION CARRIED
14. MOTION TO APPROVE BUDGET ADJUSTMENT FOR MARCH FUNDING OF FIRE TRUCK FOR BARRY VFD BY HERRINGTON SEC BY OLSEN
ALL VOTED AYE MOTION CARRIED
15. MOTION TO APPROVE RESOLUTION REGARDING UNFUNDED MANDATES BY THE STATE OF TEXAS BY JUDGE DAVENPORT SEC BY WARREN **TO WIT PG 994-995**
ALL VOTED AYE MOTION CARRIED
16. MOTION TO APPROVE ACTUARIAL SERVICES AGREEMENT WITH GABRIEL, ROEDER, SMITH & CO. (GRS) THROUGH NCTCOG BY HERRINGTON SEC BY WARREN
ALL VOTED AYE MOTION CARRIED
17. MOTION TO ADJOURN BY MARTIN SEC BY WARREN
ALL VOTED AYE MOTION CARRIED

I, SHERRY DOWD, NAVARRO COUNTY CLERK, ATTEST THAT THE FOREGOING IS A TRUE AND ACCURATE ACCOUNTING OF THE COMMISSIONERS COURT'S AUTHORIZED PROCEEDING FOR FEBRUARY 14TH, 2011.

SIGNED 14 DAY OF FEBRUARY 2011.

Sherry Dowd
SHERRY DOWD, COUNTY CLERK



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#8

NAVARRO COUNTY

LESLIE COTTEN
SHERIFF



MIKE COX
CHIEF DEPUTY

SHERIFF'S OFFICE

CRIMINAL JUSTICE CENTER
312 WEST 2ND AVE
CORSICANA, TX 75110
(903) 654-3001 Office (903) 654-3044 Fax

To: Navarro County Auditor's Office
Kathy B. Hollomon

01-20-2011

From: Sheriff Leslie Cotten

Re: Request transfer of funds

Please move funds in the amount of \$25000.00 from Navarro County Sheriff's Office Seizure Account to the Navarro County Sheriff's Office Seizure budget. Line item transferred to is machinery & equipment account # 960-560-575.

A handwritten signature in cursive script, appearing to read "Leslie Cotten".

Thank You,

#9

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Justices of the Peace
2010 Budget Adjustment

Account Number	Account Description	Debit	Credit		
Precinct 1					
101 456 103	Deputies and Assistants	3,868.59			
101 456 201	Social Security (FICA)	239.85			
101 456 202	Medicare	56.09			
101 456 203	Retirement	356.30			
101 456 205	Unemployment	3.87			
Precinct 2					
101 457 103	Deputies and Assistants	3,868.59			
101 457 201	Social Security (FICA)	239.85			
101 457 202	Medicare	56.09			
101 457 203	Retirement	356.30			
101 457 205	Unemployment	3.87			
Precinct 3					
101 458 103	Deputies and Assistants	4,982.55			
101 458 201	Social Security (FICA)	309.97			
101 458 202	Medicare	72.50			
101 458 203	Retirement	460.45			
101 458 204	Health Insurance		1,110.00		
101 458 205	Unemployment	5.36			
Precinct 4					
101 459 103	Deputies and Assistants		17,162.67		
101 459 201	Social Security (FICA)		1,064.09		
101 459 202	Medicare		248.86		
101 459 203	Retirement		1,580.68		
101 459 204	Health Insurance		3,885.00		
101 459 205	Unemployment		17.16		
101 410 446	Courthouse Rest Planning	10,188.23			
Subtotals		25,068.46	25,068.46		

**ELECTION SYSTEMS & SOFTWARE, INC.
ELECTION SERVICES AGREEMENT RENEWAL**

WHEREAS, Election Systems & Software, Inc. ("ES&S") and Navarro County, Texas ("Customer") entered into that certain Election Services Agreement dated, October 31, 2007 ("Agreement"). To the extent not otherwise amended herein, the terms and conditions of the Agreement shall govern.

WHEREAS, Customer desires to renew the Election Services Agreement for an additional three (3) year period in accordance with the Terms and Conditions and pricing of the original Agreement.

NOW THEREFORE, in consideration of the foregoing recitals (which are specifically incorporated herein by this reference and made a material part of the Agreement), and the covenants and agreements set forth below, the parties hereby agree as follows:

1. ES&S agrees to extend the Ballot Layout, Coding, Voice File, and Ballot Printing ("Services") in accordance with the terms and pricing set forth in the Agreement, except as noted below, which are applicable to Ballot Printing for the three (3) year period commencing on March 1st, 2011 and ending on February 28th, 2014.

Description	Price per Ballot
14" and 17" Ballots:	
Base ballot charge	\$0.24
Backside of ballot	\$0.03
Stub and / or numbering	\$0.03
Folding	\$0.02
Scoring	\$0.02
Packaging	\$0.00
Color requirements – defined as a color bar on the ballot. Other designs or methods will be subject to a separate quote.	\$0.02
Prices are exclusive of freight, which will be billed separately.	
19" ballots are quoted separately.	

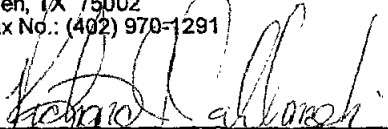
2. Ballot Layout, Coding, Voice File, and Ballot Printing Services will be invoiced as Services are provided. 100% of invoice total due within 30 calendar days of invoice date.
3. Customer understands, acknowledges and agrees that ES&S' fees for the services as set forth on the Agreement exhibits are based upon (a) a contractual commitment by Customer to subscribe for and purchase such services for a period of at least three (3) years, (b) ES&S' dedication of sufficient resources during the Term to perform such services and provide associated prioritization of Customer in its service deliveries, and (c) the descriptions of such services in the Agreement exhibits. In the event that Customer changes its commitment to a period of less than three (3) years for any reason other than a termination for cause pursuant to Section 5, of the Agreement, Customer hereby agrees to promptly pay a balance due charge using the Non-Discounted Fees applied to the Ballot Layout, Coding and Voice File Services provided to the Customer up through the date of early termination.

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IN WITNESS WHEREOF, this Agreement has been executed effective as of the date it is signed (date to be no later than February, 14th 2011) by the last of the parties hereto.

ELECTION SYSTEMS & SOFTWARE, INC.
1253 Allen Station Pkwy
Allen, TX 75002
Fax No.: (402) 970-1291

NAVARRO COUNTY, TEXAS
Attn: Danda Parker
PO Box 1018
Corsicana, TX 75151
Fax No. (903) 875-3331

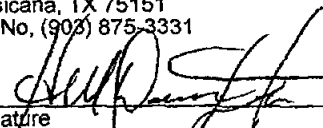


Signature
Richard J. Jablonski

Name (Printed or Typed)
VP of Finance

Title
2/21/2011

Date



Signature
H.M. Davenport

Name (Printed or Typed)
County Judge

Title
2/14/2011

Date

**ELECTION SYSTEMS & SOFTWARE, INC.
ELECTION SERVICES AGREEMENT**

This Agreement is made as of the date it is executed by the last of the parties named below (the "Effective Date"),

BETWEEN: Election Systems & Software, Inc., a Delaware corporation ("ES&S");
AND: **Navarro County, Texas** ("Customer")

RECITALS:


- A. Customer has agreed to purchase certain election-related services from ES&S for use in **Navarro County, Texas** (the "Jurisdiction"). The terms and conditions under which such services shall be provided are set forth in the **GENERAL TERMS** attached hereto.
- B. The following Exhibits are incorporated into, and constitute an integral part of, this Agreement (check all that apply):
 - Exhibit A** (Ballot Layout, Coding, and Voice File Services)
 - Exhibit B** (Ballot Printing Services)

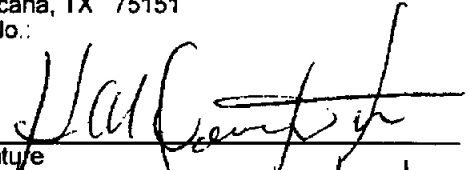
NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, each of the parties hereto:

- Agrees to the **GENERAL TERMS** and the terms and conditions set forth in each Exhibit.
- Agrees that at all times, this Agreement shall be governed by and construed in accordance with the laws of the State of Texas.
- Represents and warrants to the other party that as of its signature date indicated below it has full power and authority to enter into and perform this Agreement, and that the person signing below on its behalf has been properly authorized to execute this Agreement.
- Acknowledges that it has read this Agreement, understands it and intends to be bound by it.

ELECTION SYSTEMS & SOFTWARE, INC.
11208 John Galt Boulevard
Omaha, NE 68137
Fax No.: (402) 970-1291

NAVARRO COUNTY, TEXAS
Attn: Danda Parker
P. O. Box 1018
Corsicana, TX 75151
Fax No.:


Signature
Tom U'Brien
Name (Printed or Typed)
CEO
Title
10/31/07
Date


Signature
H.M. DAVENPORT, JR.
Name (Printed or Typed)
Navarro County Judge
Title
10 - 22 - 07
Date

GENERAL TERMS AND CONDITIONS

1 **Consideration.** The consideration to be paid by Customer to ES&S for the services provided hereunder is set forth on the accompanying Exhibits.

2 **Limitation of Liability.** Neither party will be liable for any indirect, incidental, punitive, exemplary, special or consequential damages of any kind whatsoever arising out of or relating to this Agreement. Except for such liability as may arise under Section 2.5(a), ES&S' total liability to Customer arising out of or relating to this Agreement will not exceed the aggregate amount to be paid to ES&S hereunder. Any action by Customer against ES&S shall be commenced within one (1) year after the cause of action has accrued. By entering into this Agreement, Customer agrees to accept responsibility for the selection of, use of and results obtained from any services not provided by ES&S.

3 **Excusable Nonperformance.** Except for a delay or failure in the payment of money, if either party is delayed or prevented from performing its obligations under this Agreement due to any cause beyond its reasonable control, including natural disaster, fire, flood, unusually severe weather, terrorism, insurrection, war, Acts of God, labor disputes and governmental regulations, the delay shall be excused during the continuance of, and to the extent of, such cause, and the period of performance shall be extended to the extent necessary to allow performance after the cause of delay has been removed. ES&S agrees to work with Customer, at Customer's request, to develop mutually agreeable alternatives in order to minimize the negative impact of any such delay.

4 **Term; Termination.** The term of this Agreement is set forth on Exhibit A, but may be terminated before its expiration by either party if the other party breaches any material provision hereof and does not cure such breach within thirty (30) days after it receives notification thereof from the non-breaching party.

5 **Assignment.** Except in the case of a sale, transfer or assignment of all or substantially all of the assets of ES&S to a successor who has asserted its intent to continue the business of ES&S, neither party may assign or transfer this Agreement or assign any of its rights hereunder without the prior written consent of the other party hereto, such consent not to be unreasonably withheld.

6 **Entire Agreement.** This Agreement, including all Exhibits hereto (all of which are incorporated herein by this reference), contains the entire agreement of the parties with respect to the subject matter hereof and shall supersede and replace any and all other prior or contemporaneous discussions, negotiations, agreements or understandings between the parties, whether written or oral, regarding the subject matter hereof. Any provision of any purchase order, form or other agreement which conflicts with or is in addition to the provisions of this Agreement shall be of no force or effect. In the event of any conflict between a provision contained in an Exhibit to this Agreement and these General Terms, the provision contained in the Exhibit shall control. No waiver, amendment or modification of any provision of this Agreement shall be effective unless in writing and signed by the party against whom such waiver, amendment or modification is sought to be enforced. No consent by either party to, or waiver of, a breach by either party shall constitute a consent to or waiver of any other different or subsequent breach by either party.

7 **Notice.** Any notice or other communication required or permitted hereunder shall be in writing, and will be deemed given when delivered personally, sent by confirmed fax, sent by commercial overnight courier (with written verification of receipt) or sent by registered or certified mail, return receipt requested, postage prepaid, when the return receipt is received. All communications shall be sent to the attention of the persons listed on the signature page to this Agreement and at the addresses or fax numbers set forth on such signature page unless other names, addresses or fax numbers are provided by either or both parties.

8 **Disputes.**

Remedies for Past Due Payments. If any payment to ES&S is past due more than five (5) days, ES&S may suspend performance under this Agreement until such amount is paid.

Dispute Resolution Process. Time is of the essence in resolving disputes. The initiating party shall notify the responding party of any dispute, including all relevant information (e.g., the nature of the dispute, dates, times, persons involved). The responding party shall respond to the notification within five (5) business days. Thereafter, the parties shall use their good faith efforts to resolve the dispute within a reasonable period of time. Notwithstanding anything in this Section 2.14 to the contrary, either party may apply to any court having jurisdiction over the subject matter of the dispute for a temporary restraining order, preliminary injunction, or other appropriate legal remedy at any time.

9 **Other.** In performing its obligations or enjoying its rights under this Agreement, each party shall comply with all applicable laws and regulations. ES&S is providing its services to Customer as an independent contractor, and shall not be deemed to be a "state actor" for purposes of 42 U.S.C. § 1983. ES&S will not be responsible for (a) user errors, (b) voter errors or (c) problems encountered by any individual in voting. ES&S may engage subcontractors to provide certain of the services, but shall remain fully responsible for such performance. The provisions of Sections 1-5, and this Section 9 shall survive the termination of this Agreement, to the extent applicable.

[END OF GENERAL TERMS]

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**EXHIBIT A
BALLOT LAYOUT, CODING, AND VOICE FILE SERVICES**

1. **Term.** The term of this Agreement shall be thirty six (36) months from the date of the first covered election, which the parties agree shall be January 01, 2008. The pricing in this Exhibit A shall apply to all elections conducted by Customer during the Term.

2. **Services.** The services to be provided by ES&S, a description of such services, and per unit fees are set forth below. Customer acknowledges that ES&S' fees for these services are based on (a) a commitment by Customer to subscribe to such services for a period of at least three (3) years, and (b) the descriptions listed in the table below. A change in the Customer's commitment to a period of less than three (3) years for any reason other than a termination for cause pursuant to Section 4 of this Agreement will result in a change the fees set forth below.

Election Systems & Software Ballot Layout, Coding, Voice File Service Pricing	
Effective for all elections on or after January 1, 2008	
	Per Unit Fee
Paper Ballot Layout	
English and Spanish (combined):	
1 to 500 Faces	\$15.00
501 or more Faces	\$12.50
Languages other than English/Spanish	
1 to 500 Faces, per Language	\$30.00
501 or more Faces, per Language	\$25.00
Base Charge for Ballot On Demand (BOD)	\$422.10
Electronic Screen Layout - AutoMARK and IVotronic	
English and Spanish (combined):	
Per Ballot Style, or precinct, whichever is greater	Included
Languages other than English/Spanish	
Per Ballot Style, or precinct, whichever is greater	Included
Programming Services	
Base Charge per Equipment Type	\$371.88
Base Charge for ERM file set-up	\$371.88
Ballot types (open primary or multiple-page ballots)	\$53.13
Precincts (every precinct in the election)	\$5.31
Ballot faces (every unique face in the election)	\$10.63
Contests / Issues (total number of contests, referenda, questions / propositions in the election)	\$12.75
Candidate / Responses (total number of candidates &/or responses, including referenda and all write-ins for each contest/issue)	\$5.31
Headers (Central Tabulators)	\$1.49
Re-Coding Fees	\$371.88 + applicable fee for each changed element
Voice Files per IVotronic and AutoMARK Equipment Type	

Language Setup Charge - English	\$256.50
Language Setup Charge - Spanish	\$256.50
Language Setup Charge - All Other languages	\$387.00 per language
Political Parties	\$5.22
Ballot Faces	\$10.53
Contests / Issues	\$10.53
Candidates / Yes-No Responses	\$7.29
Propositions / Amendments / Instructions	\$15.48
Price per word in excess of 1200 total words (Instructions / Propositions / Amendments)	\$0.27
Resubmission	\$256.50 for English & Spanish and \$387.00 (for each additional language), plus the applicable fee for each element changed for each language
Other Services (Standard Overnight Delivery Charges Will Apply and Will Be Billed Separately)	
Media burn (Flash / PCMCIA Cards, Mem Packs, PEBs, and Jump Drives)	\$10.00
Electronic transfer files (one charge per county, per election)	\$125.00
SOS Media	\$50.00

Note 1: Any applicable state and local taxes are not included, and are the responsibility of Customer.

Note 2: Payment terms are 100% of invoice total due within 30 calendar days of invoice date.

[END OF EXHIBIT A]

**EXHIBIT B
BALLOT PRINTING SERVICES**

Description	Price per Ballot
14" and 17" Ballots:	
Base ballot charge	\$0.25
Backside of ballot	\$0.03
Stub and / or numbering	\$0.03
Folding	\$0.02
Scoring	\$0.02
Packaging	\$0.01
Color requirements – defined as a color bar on the ballot. Other designs or methods quoted separately.	\$0.02
Per Ballot Fee Subtotal	\$TBD
Additional charges for special requests, including watermarking, unique packaging requirements and expedited delivery requirements.	\$TBD
Per Ballot Fee Total	\$TBD
Prices are exclusive of freight, which will be billed separately.	
19" ballots are quoted separately.	

Note 1: 100% of payment for Ballot Printing services due within thirty (30) calendar days from issuance of invoice.

Note 2: The above pricing assumes the use of ES&S partner printers. The use of a Customer requested printer may result in a change in the fees outlined above.

Note 3: Unexpected and material changes in costs such as paper may result in changes to the fees reflected above.

Note 4: Customer has agreed to purchase finished ballots from ES&S for the Term of this Agreement (See Exhibit A) at the pricing set forth above. This three year ballot purchase commitment entitles Customer to receive the discounted pricing for the services as set forth on Exhibit A. In the event Customer terminates its three year ballot commitment prior to the end of the Term of this Agreement for any reason other than for cause pursuant to Section 4 of this Agreement, or purchases finished ballots from a provider other than ES&S, or does not pay for finished ballots from ES&S during the three year period, Customer shall no longer be entitled to receive the discounted services pricing set forth in Exhibit A, and shall pay ES&S its then current rates for such services.

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ISI COMMERCIAL REFRIGERATION, INC.

P.O. BOX 569060
DALLAS, TX 75356-9060

01/17/2011

CHRISTINE LUNGER
NORTH TEXAS HIDTA - ESTERS 8404
SUITE 100
8404 ESTERS BLVD
IRVING, TX 75063

Dear CHRISTINE LUNGER:

Your preventative maintenance contract with ISI Commercial Refrigeration on your refrigeration and/or ice machines listed on the next page will expire on 02/28/2011.

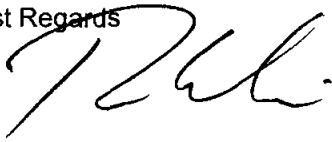
If you would like to renew the contract for another year you may simply sign the bottom of this letter and fax or mail it to us. The price to extend your preventive maintenance contract for another year is only \$535.00 plus tax if applicable. This entitles you to continue to receive the same valuable benefits that you have currently been enjoying.

Upon receipt of this letter signed by you we will send you an invoice for payment.

If you would like to pay by credit card, please call us at 214-631-7980 extension 8370, or you may simply return this letter signed below with your check for faster processing.

We want to thank you in advance for your business and hope we can continue the preventative maintenance program for you.

Best Regards



Ron White

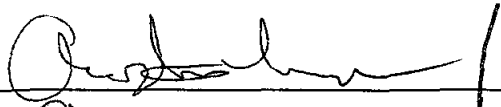
RECEIVED

FEB 03 2011

NAVARRO COUNTY
AUDITOR'S OFFICE

I wish to renew the current preventive maintenance contract.

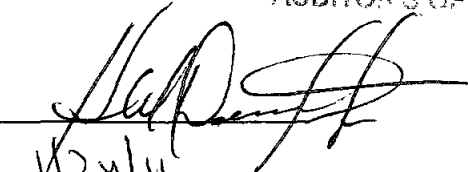
Customer
Signature



Print Name:

Chris Lurger
H.M. Davenport
Navarro County Judge

Date


1/24/11
2/14/2011

PH 214 631-7980 FAX 214 631-6813 WATS 800 777-5070

OFFICE LOCATIONS

ABILENE BEAUMONT DALLAS HOUSTON

TACL B009694C - Regulated by the Texas Department of Licensing and Regulation, P.O. Box 1257, Austin TX 78711, 1-800-803-9202, 512-463-6599

Feb 11, 2011

Mrs. Kathy Hollomon
County Auditor
Navarro County
300 W. Third Ave., Ste. 10
Corsicana, TX 75110

Re: Pricing Estimate for GASB OPEB Valuation for Navarro County

Dear Mrs. Hollomon,

You have requested a pricing quote for a GASB 45 actuarial valuation under the Shared Services arrangement provided by Gabriel, Roeder, Smith & Co (GRS) and North Central Texas Council of Governments (NCTCOG).

Based on the information you provided, the estimated cost of services for Navarro County is \$4,885. This price is based on receiving data in the standard GRS format and using the following assumptions:

Number of Participants	100 - 999
Insured or Self-Funded	Insured*
Retirement Plans	1. TCDRS
Health Plans	1. TAC

* An additional fee of \$1,630 will be added if claims experience is required

If other assumptions are identified, a revised proposal letter will be prepared by GRS. Also, additional fees may apply if the data is not received in standard format.

Basic Services

Basic services provided through the Shared Services program will include:

- Actuarial valuation of employer OPEB in compliance with the requirements of paragraphs 11-27 of GASB 45. Valuations can be performed annually or biennially and will include:
 - > A measurement of the actuarial liability, present value of projected benefits and normal cost as of the valuation date
 - > The estimated actuarially determined contribution for the applicable fiscal years

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- > The estimated annual required contribution and accounting expense for the applicable fiscal years as required under GASB Statement Nos. 43 and 45
 - > Information needed to complete the "Notes to the Financial Statement" and "Required Supplementary Information" as defined in paragraphs 30 and 31 of GASB No. 43
 - > Information needed to complete the "Notes to the Financial Statement" and "Required Supplementary Information" as defined in paragraphs 24, 25 and 26 of GASB No. 45
 - > Required Supplementary Information as defined in paragraph 26 of the GASB 45
 - > Sensitivity analysis for health care trend rates, providing valuation results based on a higher and a lower health care trend
 - > A hypothetical set of actuarial results using an alternative discount rate based on pre-funding
- Two in person or conference call meetings as mutually agreed upon by Navarro County and GRS. Out of pocket travel expenses for governments located 100 miles or more from downtown Houston or DFW Airport will be charged to the government.
 - Access to GRS' web based Aggregate Reporting Module. This module allows for benchmarking of valuations for all members of the Shared Services program. The Aggregate Reporting Module includes current and historical information on plan provisions, assumptions, and actuarial results.

Billing Schedule

Pricing assumes 20% paid upon acceptance by the government of the engagement, 50% upon receipt of the draft report and 30% upon acceptance of the final report. Pricing also assumes annual valuations. For Biennial valuations, an additional \$1,090 is added to the price and GRS will provide the OPEB cost for the off year as a percentage of covered payroll and will walk forward the Net OPEB Obligation.

Prices will be adjusted annually in January based on changes in the Consumer Price Index, All Urban Consumers, on a December over December basis.

Options Study

It is anticipated that Navarro County may want to consider what the options are for mitigating their OPEB liability either in the first year or first two years. These Options studies would include alternative discount rates, alternative healthcare trend rates, benefit capitations, changes in retiree

Mrs. Kathy Hollomon
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Page 3

cost sharing, and possibly changes in eligibility requirements. The cost for this Options study will be \$820 per study.

Other studies may not be covered under the fixed fee amount above. If a study is not included in the fixed fee pricing, the hourly rates shown in "Additional Services" below will apply. GRS will provide written documentation of our understanding of the service(s) requested, the estimated number of hours by employee class, total costs and project timeline.

Additional Services

Fees for additional consulting services not included under Basic Services or included in the fixed fee Options studies will be priced separately upon request and will be based on the following hourly rates:

<i>GRS Resource Classification</i>	<i>Hourly Rates</i>
Senior Consultant	\$384
Consultants	\$302
Senior Analysts	\$192
Actuarial Analysts	\$164
Systems Analysts and Programmers	\$220
Administrative Support Staff	\$121

A copy of this proposal letter will be made a part of the engagement agreement between Navarro County and GRS.

If you have any questions or need additional information please don't hesitate to e mail us at NCTCOG.sharedservices@gabrielroeder.com or call either Jim Schaefer at 469/524-1808 or Joe Newton at 469/524-1807.

Thank you for your interest in the Shared Services program.

Gabriel, Roeder, Smith & Company

MASTER AGREEMENT

Pursuant to the award of Joint Actuarial Services by the North Central Texas Council of Governments (NCTCOG), this agreement confirms the terms under which the Navarro County, Texas hereinafter referred to as 'CONTRACTING GOVERNMENT' has engaged Gabriel, Roeder, Smith & Co. hereinafter referred to as "GRS" to perform actuarial consulting services. In as much as this relationship will involve several actuarial reviews and other services that will be governed by the Request for Proposal issued by NCTCOG on May 31, 2006 and our subsequent response to that proposal, we have agreed to establish this "master agreement" defining the general terms and conditions for all work performed.

This agreement will not, by itself, authorize the performance of any services. Rather specific services will be authorized through a separate engagement letter that references this master agreement and details the services to be provided and the timeframe and fees required. In the event of an inconsistency between this master agreement and an individual engagement letter, the master agreement will be followed.

As described in the above referenced Request for Proposal the following terms apply:

- A. **Tax Exempt Entities.** CONTRACTING GOVERNMENT is exempt from manufacturer's federal excise tax and states sales tax. Tax exemption certificates will be issued upon request.
- B. **Role of NCTCOG.** NCTCOG has served as a facilitator to the RFP and award process but the contractual relationship is between GRS and the CONTRACTING GOVERNMENT.
- C. **Aggregate Information.** GRS agrees to supply NCTCOG with the specified results from the valuations and to aggregate that information with that of other governments for the purpose of benchmarking.
- D. **Fees.** GRS agrees to follow the attached pricing schedule ("Attachment A") for pricing of its services.
- E. **Review of Charges.** CONTRACTING GOVERNMENT has the right to review the supporting documentation for any hourly charges or out of pocket expenses assessed to the CONTRACTING GOVERNMENT under the fee schedule.
- F. **Termination.** Both CONTRACTING GOVERNMENT and GRS will have the right to terminate this agreement through written notice. CONTRACTING GOVERNMENT will pay any charges or prorate fees incurred to the date the termination notice is received and actuary will cease any in progress work unless specific stopping points are provided in the letter.

- G. **Work Product.** The final work product will be the property of the CONTRACTING GOVERNMENT to be used as stated in the specific engagement letter. Ancillary use of the product is permitted but GRS is not responsible for the reliability of those projections. It is understood that all reports are subject to the open records laws of the State of Texas and the contracting jurisdiction.
- H. **Independent Contractor.** All the services provided by GRS will be as an independent contractor. None of the terms in the engagement letter will be interpreted to create an agency or employment relationship.
- I. **Biennial Reviews.** CONTRACTING GOVERNMENT agrees to provide census data in off years using the same cut off date and delivery dates as used for the year of review. Actuary agrees to review the off year census data and provide CONTRACTING GOVERNMENT with timely feedback regarding deficiencies in the data.
- J. **Term.** The term of this master agreement will be governed by the afore referenced NCTCOG RFP and will expire on September 30, 2012.
- K. **Complete Agreement.** This letter combined with the specific engagement letter and as clarified by the RFP and Proposal set forth the entire agreement between the CONTRACTING GOVERNMENT and GRS.
- L. **Indemnification.** GRS covenants and agrees to indemnify and hold harmless and defend and does hereby indemnify, hold harmless, and defend NCTCOG and CONTRACTING GOVERNMENTS, its officers and employees, from and against any and all suits or claims for damages or injuries, including death, to persons or property, whether real or asserted, arising out of any negligent act or omission on the part of the contractor, its officers, agents, servants, employees, or subcontractors, and the contractor does hereby assume all liability for injuries, claims or suits for damages to persons, property, or whatever kind of character, whether real or asserted, occurring during or arising out of the performance of this contract as a result of any negligent act or omission on the part of the contractor, its officers, agents, servants, employees, or subcontractors to the extent permitted by law. Please review this master agreement letter and the attached schedules and indicate your acceptance by having an official of CONTRACTING GOVERNMENT sign below.
- M. **Force Majeure.** A force majeure event shall be defined to include governmental decrees or restraints, acts of God (except that rain, wind, flood or other natural phenomena normally expected for the locality, shall not be construed as an act of God), work stoppages due to labor disputes or strikes, fires, explosions, epidemics, riots, war, rebellion, and sabotage. If a delay or failure of performance by either party to this contract results from the occurrence of a force majeure event, the delay

shall be excused and the time fixed for completion of the work extended by a period equivalent to the time lost because of the event.

- N. **Professional Standards.** GRS will provide qualified personnel for each engagement and follow all professional standards ascribed by the American Academy of Actuaries and the Governmental Accounting Standards Board.

GABRIEL, ROEDER, SMITH & CO.

By: Mark Roedel
Title: Exec. Vice President

Date: 2/17 2011

CONTRACTING GOVERNMENT

By: [Signature]
Title: County Judge

Date: 2/14/2011

Attachment A
Pricing of Services – Calendar Year 2007*

Employer					
	Governments by Total OPEB Participants	Annual	Biennial	First Year Options Study	Hourly Rate for Additional Services
1	Less than 100-Insured 1 health plan	\$4,000	\$5,000	\$750/Study	See Below
1a	Less than 100-per additional health or retirement plan	\$1,000	\$1,000	\$750/Study	See Below
2	Between 100 and 249-Insured 1 health plan	\$4,500	\$5,500	\$750/Study	See Below
2a	Between 100 and 249-per additional health or retirement plan	\$1,000	\$1,000	\$750/Study	See Below
3	Between 100 and 249-Self Insured 1 health plan	\$6,000	\$7,000	\$750/Study	See Below
3a	Between 100 and 249-per additional self insured health or retirement plan	\$1,000	\$1,000	\$750/Study	See Below
4	Between 250 and 499-Insured 1 health plan	\$4,500	\$5,500	\$750/Study	See Below
4a	Between 250 and 499-per additional health or retirement plan	\$1,000	\$1,000	\$750/Study	See Below
5	Between 250 and 499-Self Insured 1 health plan	\$6,000	\$7,000	\$750/Study	See Below
5a	Between 250 and 499-per additional self insured health or retirement plan	\$1,000	\$1,000	\$750/Study	See Below
6	Between 500 and 749-Insured 1 health plan	\$4,500	\$5,500	\$750/Study	See Below
6a	Between 500 and 749-per additional health or retirement plan	\$1,000	\$1,000	\$750/Study	See Below
7	Between 500 and 749-Self Insured 1 health plan	\$6,000	\$7,000	\$750/Study	See Below
7a	Between 500 and 749-per additional self insured health or retirement plan	\$1,000	\$1,000	\$750/Study	See Below
8	Between 750 and 999-Insured 1 health plan	\$4,500	\$5,500	\$750/Study	See Below
8a	Between 750 and 999-per additional health or retirement plan	\$1,000	\$1,000	\$750/Study	See Below
9	Between 750 and 999-Self Insured 1 health plan	\$6,000	\$7,000	\$750/Study	See Below
9a	Between 750 and 999-per additional self insured health or retirement plan	\$1,000	\$1,000	\$750/Study	See Below
10	Between 1000 and 1499-Insured 1 health plan	\$5,000	\$6,000	\$750/Study	See Below
10a	Between 1000 and 1499-per additional health or retirement plan	\$1,000	\$1,000	\$750/Study	See Below

11	Between 1000 and 1499-Self Insured 1 health plan	\$6,500	\$7,500	\$750/Study	See Below
11a	Between 1000 and 1499-per additional self insured health or retirement plan	\$1,000	\$1,000	\$750/Study	See Below
12	Between 1500 and 1999-Insured 1 health plan	\$5,000	\$6,000	\$750/Study	See Below
12a	Between 1500 and 1999-per additional health or retirement plan	\$1,000	\$1,000	\$750/Study	See Below
13	Between 1500 and 1999-Self Insured 1 health plan	\$6,500	\$7,500	\$750/Study	See Below
13a	Between 1500 and 1999-per additional self insured health or retirement plan	\$1,000	\$1,000	\$750/Study	See Below
14	Between 2000 and 2499-Insured 1 health plan	\$5,000	\$6,000	\$750/Study	See Below
14a	Between 2000 and 2499-per additional health or retirement plan	\$1,000	\$1,000	\$750/Study	See Below
15	Between 2000 and 2499-Self Insured 1 health plan	\$6,500	\$7,500	\$750/Study	See Below
15a	Between 2000 and 2499-per additional self insured health or retirement plan	\$1,000	\$1,000	\$750/Study	See Below
16	Between 2500 and 5000-Self Insured 1 health plan	\$7,000	\$8,000	\$750/Study	See Below
16a	Between 2500 and 5000-per additional self insured health or retirement plan	\$1,500	\$1,500	\$750/Study	See Below

Plans (if applicable)					
	Governments by Total OPEB Participants	Annual	Biennial	First Year Options Study	Hourly Rate for Additional Services
1	Less than 100-Insured 1 health plan	\$0	\$0	\$750/Study	See Below
1a	Less than 100-per additional health or retirement plan	\$0	\$0	\$750/Study	See Below
2	Between 100 and 249-Insured 1 health plan	\$0	\$0	\$750/Study	See Below
2a	Between 100 and 249-per additional health or retirement plan	\$0	\$0	\$750/Study	See Below
3	Between 100 and 249-Self Insured 1 health plan	\$0	\$0	\$750/Study	See Below
3a	Between 100 and 249-per additional self insured health or retirement plan	\$0	\$0	\$750/Study	See Below
4	Between 250 and 499-Insured 1 health plan	\$0	\$0	\$750/Study	See Below
4a	Between 250 and 499-per additional health or retirement plan	\$0	\$0	\$750/Study	See Below
5	Between 250 and 499-Self Insured 1 health plan	\$0	\$0	\$750/Study	See Below
5a	Between 250 and 499-per additional self insured health or retirement plan	\$0	\$0	\$750/Study	See Below
6	Between 500 and 749-Insured 1 health plan	\$0	\$0	\$750/Study	See Below
6a	Between 500 and 749-per additional health or retirement plan	\$0	\$0	\$750/Study	See Below
7	Between 500 and 749-Self Insured 1 health plan	\$0	\$0	\$750/Study	See Below
7a	Between 500 and 749-per additional self insured health or retirement plan	\$0	\$0	\$750/Study	See Below
8	Between 750 and 999-Insured 1 health plan	\$0	\$0	\$750/Study	See Below
8a	Between 750 and 999-per additional health or retirement plan	\$0	\$0	\$750/Study	See Below
9	Between 750 and 999-Self Insured 1 health plan	\$0	\$0	\$750/Study	See Below
9a	Between 750 and 999-per additional self insured health or retirement plan	\$0	\$0	\$750/Study	See Below
10	Between 1000 and 1499-Insured 1 health plan	\$0	\$0	\$750/Study	See Below
10a	Between 1000 and 1499-per additional health or retirement plan	\$0	\$0	\$750/Study	See Below
11	Between 1000 and 1499-Self Insured 1 health plan	\$0	\$0	\$750/Study	See Below
11a	Between 1000 and 1499-per additional self insured health or retirement plan	\$0	\$0	\$750/Study	See Below
12	Between 1500 and 1999-Insured 1 health plan	\$0	\$0	\$750/Study	See Below

4812 a	Between 1500 and 1999-per additional health or retirement plan	\$0	\$0	\$750/Study	See Below
13	Between 1500 and 1999-Self Insured 1 health plan	\$0	\$0	\$750/Study	See Below
13a	Between 1500 and 1999-per additional self insured health or retirement plan	\$0	\$0	\$750/Study	See Below
14	Between 2000 and 2499-Insured 1 health plan	\$0	\$0	\$750/Study	See Below
14a	Between 2000 and 2499-per additional health or retirement plan	\$0	\$0	\$750/Study	See Below
15	Between 2000 and 2499-Self Insured 1 health plan	\$0	\$0	\$750/Study	See Below
15a	Between 2000 and 2499-per additional self insured health or retirement plan	\$0	\$0	\$750/Study	See Below
16	Between 2500 and 5000-Self Insured 1 health plan	\$0	\$0	\$750/Study	See Below
16a	Between 2500 and 5000-per additional self insured health or retirement plan	\$0	\$0	\$750/Study	See Below

- ❖ For the first valuation, the prices above include a mandatory kick-off meeting to begin the project and a meeting to present the findings. If the second meeting can take place either via web cast or through a conference call, we will discount the above valuation fees by \$500.
- ❖ For subsequent valuations, we anticipate the kickoff meeting to be via conference call or web cast. For any participant, if the meeting to present the results can take place either via web cast or through a conference call, we will discount the above valuation fees by \$500.
- ❖ Pricing assumes 20% paid upon acceptance by the government of the engagement, 50% upon receipt of the draft report and 30% upon acceptance of the final report.
- ❖ Fees for additional services and optional services that are not determined as 'basic' will be based on the following rates:

GRS Position Title	Hourly Rates
Senior Consultant	\$350
Consultants	\$275
Senior Analysts	\$175
Actuarial Analysts	\$150
Systems Analysts and Programmers	\$200
Administrative Support Staff	\$110

*Prices will be adjusted annually beginning in January 2008 based on changes in the Consumer Price Index, All Urban Consumers, on a December over December basis. Current rates for your plan are reflected in the engagement agreement sent with this document.

**INTERLOCAL AGREEMENT
FOR
COOPERATIVE PURCHASING
FOR
ACTUARIAL SHARED SERVICES**

THIS INTERLOCAL AGREEMENT ("Agreement"), made and entered into pursuant to the Texas Interlocal Cooperation Act, Chapter 791, Texas Government Code (the "Act"), by and between the North Central Texas Council of Governments, hereinafter referred to as "NCTCOG," having its principal place of business at 616 Six Flags Drive, Arlington, Texas 76011, and (name of entity) Navarro County, Texas a local government, created and operated to provide one or more governmental functions and services, hereinafter referred to as "Participant," having its principal place of business at:

WITNESETH

WHEREAS, NCTCOG is a regional planning commission and political subdivision of the State of Texas operating under Chapter 391, Texas Local Government Code; and

WHEREAS, pursuant to the Act, NCTCOG is authorized to contract with eligible entities to perform governmental functions and services, including the development of a standard approach for acquiring actuarial services; and

WHEREAS, in reliance on such authority, NCTCOG has a cooperative purchasing program under which it contracts with eligible entities under the Act; and

WHEREAS, Participant has represented that it is an eligible entity under the Act, that by Administrative Action has authorized this Agreement on (Date)* February 14, 2011 and that it desires to contract with NCTCOG on the terms set forth below;

NOW, THEREFORE, NCTCOG and the PARTICIPANT do hereby agree as follows:

ARTICLE 1: LEGAL AUTHORITY

The Participant represents and warrants to NCTCOG that (1) it is eligible to contract with NCTCOG under the Act because its a local government, as defined in the Act, and (2) it possesses adequate legal authority to enter into this Contract.

ARTICLE 2: APPLICABLE LAWS

NCTCOG and the Participant agree to conduct all activities under this Agreement in accordance with all applicable rules, regulations, and ordinances and laws in effect or promulgated during the term of this Agreement.

ARTICLE 3: WHOLE AGREEMENT

This Agreement and any attachments, as provided herein, constitute the complete contract between the parties hereto, and supersede any and all oral and written agreements between the parties relating to matters herein.

ARTICLE 4: BILLINGS

Billings will be generated for the Actuarial Shared Services through Gabriel Roeder Smith & Company and will include an Administrative Fee of \$100 per valuation cycle (annually or biennially) payable to NCTCOG.

ARTICLE 5: CHANGES AND AMENDMENTS

This Agreement may be amended only by a written amendment executed by both parties, except that any alternations, additions, or deletions to the terms of this Agreement which are required by changes in Federal and State law or regulations are automatically incorporated into this Agreement without written amendment hereto and shall become effective on the date designated by such law or regulation.

NCTCOG reserves the right to make changes in the scope services offered through the Cooperative Purchasing Program to be performed hereunder.

THIS INSTRUMENT HAS BEEN EXECUTED IN TWO ORIGINALS BY THE PARTIES HERETO AS FOLLOWS:

*Denotes required fields

NOTE: Facsimile copies of this document shall not be acceptable as ORIGINALS.

Interstate v1 rev. 10/05

*Navarro County, Texas
Name of Participant (local government, agency, or non-profit corporation)

*300 W. Third Ave., Ste. 10
Mailing Address

*Carrollton TX 75110
City State ZIP Code

*By: 
Signature of Authorized Official

*H. M. Davenport
Typed Name of Authorized Official

*County Judge 2/14/2011
Typed Title of Authorized Official Date

North Central Texas Council of Governments
616 Six Flags Drive, Arlington, Texas 76011

*By: 
Signature of Authorized Official

* Monte Mercer
Typed Name of Authorized Official

* Deputy Executive Director 2/23/2011
Typed Title of Authorized Official Date

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CERTIFICATE *of* COURSE COMPLETION

Open Meetings Act

I, **Richard E. Martin, Jr.**, certify that I have completed a course of training on the Texas Open Meetings Act that satisfies the legal requirements of Government Code, Section 551.005.

Certificate is issued effective this 22nd day of January, 2011.



ATTORNEY GENERAL OF TEXAS
GREG ABBOTT

NOTICE TO CERTIFICATE HOLDER: You are responsible for the safekeeping of this document as evidence that you have completed this open government training course. The Office of the Attorney General does not maintain a record of course completion for you and is unable to issue duplicate certificates. Government Code Section 551.005(c) requires the governmental body with which you serve to maintain this Certificate of Course Completion and make it available for public inspection.

Certificate No.: 11-138274M

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AGREEMENT FOR INFORMATION TECHNOLOGY PRODUCTS AND SERVICES

This Agreement for Information Technology Products and Services ("Agreement") is entered into by and between **GOVERNMENT RECORDS SERVICES, INC. ("ACS")**, a Delaware corporation, with offices located at 8600 Harry Hines Blvd., Suite 300, Dallas, TX 75235, and **NAVARRO COUNTY, TX**, a government entity ("Client"), with offices located at 300 West 3rd Ave., Suite 101, Corsicana, TX 75151. ACS and Client (each individually a "party" and collectively the "parties") agree as follows:

1. TERM

This Agreement will become effective on the date of full execution by the parties (the "Effective Date") and shall continue for a period of five (5) calendar years, unless otherwise extended or terminated by the parties in accordance with the provisions of this Agreement (the "Term"). At the end of the Term, the parties agree that this Agreement may be renewed for an additional five (5) year period ("Extended Term"), subject to the termination provisions of this Agreement.

2. SERVICES

During the Term of the Agreement, and consistent with the terms and conditions set forth in herein, ACS will provide Client with the information technology products, software and materials (collectively, the "System"), and services ("Services") described in the Statement of Work, annexed hereto as Schedule A.

3. PAYMENT

Client agrees to pay ACS for the System and Services in accordance with the payment provisions set forth in Schedule A. ACS shall submit an invoice to Client for each payment due, and Client agrees to pay each invoice within thirty (30) calendar days after receipt. The date of payment shall be the date the check is mailed, as evidenced by the postmark.

Specific types of expenses that will be reimbursed by Client are listed in Schedule A. ACS will bear sole responsibility for all other expenses incurred in connection with the delivery of the System and performance of the Services. Expenses will be listed in each invoice. Upon request, ACS will support a request for reimbursement of expenses (other than *per diem* allowances) with receipts or other reasonable documentation.

4. SALES AND USE TAXES

If Client is by law exempt from property taxes or sales and use taxes, those taxes will not be included in invoices submitted to the Client under to this Agreement. ACS may be considered a limited agent of the Client for the sole purpose of purchasing goods or services on behalf of the Client without payment of taxes from which Client is exempt. If ACS is required to pay taxes by determination of a proper taxing authority having jurisdiction over the Products or Services provided under this Agreement, Client agrees to reimburse the ACS for payment of those taxes.

5. DELIVERY AND ACCEPTANCE

ACS will arrange for delivery of the appropriate System components to the Client installation site(s), as set forth in Schedule A. Shipment of the hardware shall be F.O.B. to the receiving point at each installation site. ACS will pay reasonable transportation and insurance charges for hardware delivered to the receiving point at each installation site. All

requirements for acceptance and testing of the System or any System components shall be set forth in Schedule A.

7. CONFIDENTIALITY

With respect to information relating to Client's business which is confidential and clearly so designated ("Client Confidential Information"), ACS will instruct its personnel to keep such information confidential by using the same degree of care and discretion that they use with similar information of ACS which ACS regards as confidential. However, ACS shall not be required to keep confidential any information which: (i) is or becomes publicly available; (ii) is already in ACS' possession; (iii) is independently developed by ACS outside the scope of this Agreement; or (iv) is rightfully obtained from third parties. In addition, ACS shall not be required to keep confidential any ideas, concepts, methodologies, inventions, discoveries, developments, improvements, know-how or techniques developed by ACS in the course of its services hereunder.

Client agrees that ACS' methodologies, tools, ideas, concepts, know-how, structures, techniques, inventions, developments, processes, discoveries, improvements, proprietary data and software programs, and any other information identified as proprietary or confidential by ACS, which may be disclosed to the Client, are confidential and proprietary information ("ACS Confidential Information"). With respect to ACS Confidential Information, the Client shall keep such information confidential by using the same degree of care and discretion that it uses with similar information of its own which Client regards as confidential. However, Client shall not be required to keep confidential any information which: (i) is or becomes publicly available; (ii) is already in Client's possession; (iii) is independently developed by the Client outside the scope of this Agreement and without any reliance on ACS Confidential Information; or (iv) is rightfully obtained from third parties.

ACS and Client shall use each other's confidential information only for the purposes of this Agreement and shall not disclose such confidential information to any third party, other than as set forth herein, or to each other's employees, ACS' permitted subcontractors, or Client's permitted consultants on a need-to-know basis, without the other party's prior written consent.

8. PRODUCT AND SYSTEM OWNERSHIP AND USE RIGHTS

The System provided under this Agreement includes technical information, software programs, equipment, designs, specifications, drawings, documentation, reports, and other materials (individually and collectively "ACS Intellectual Property"). Client understands and agrees that all ACS Intellectual Property (including all software upgrades, modifications, and customizations) provided under this Agreement shall at all times remain the property of ACS. To the extent the System includes third-party software components provided by ACS as part of the System, such third-party software will be subject to the provisions the software licenses provided by those third-party software vendors. The provisions of this Section shall survive termination of this Agreement.

ACS hereby grants to Client a limited, non-exclusive, non-transferable, revocable license to use the ACS Intellectual Property included in the System solely for the internal operations of Client, and only during the Term of the Agreement. ACS represents and warrants that ACS possesses all rights necessary to effectuate the license set forth in this Section. The license granted under this Section does not include the right to grant sublicenses for the ACS Intellectual Property to any third party, including other persons, agencies, or other governmental entities that are not parties to this Agreement unless specifically set forth in Schedule A. Client and its employees and agents will not cause or permit reverse engineering of all or any portion of the ACS Intellectual Property; will not distribute, disclose, loan, market, rent, lease, or otherwise transfer to any third

party any portion of the ACS Intellectual Property without prior written authorization by ACS; and will not export any ACS software products in violation of federal export laws or regulations. The provisions of this Section shall survive termination of this Agreement.

9. OWNERSHIP, USE, AND RETURN OF DATA

All information, records, documents, files, data, and other items relating to the business of Client (including indexes, film, and other data created or acquired by use of the System), whether prepared by Client or ACS or otherwise coming into the possession of ACS in connection with performing the Services or otherwise during the term of this Agreement shall remain the exclusive property of Client. Client may duplicate on electronic media the data entered into the System. Client will retain ownership of all data created by the use of the System. Any requirement for data conversion shall be included in the Services set forth in Schedule A.

12. RESPONSIBILITY FOR DATA BACKUP

Prior to ACS providing the System, Client shall prepare and safeguard back-up copies of all data that will be used in connection with the System. Throughout the Term, Client will be responsible for backing up all data contained in the System on a regular basis (and in all cases, immediately prior to the provision of any warranty or maintenance Services) in accordance with standard industry back-up procedures, as modified by any instructions for data back-up provided by ACS. Under no circumstances will ACS be responsible for the loss of Client data or software.

13. PERFORMANCE AND SYSTEM WARRANTIES

ACS warrants that: (a) the Services will be performed in a professional and workmanlike manner in accordance with generally applicable industry standards; (b) during the Term, any component of the System furnished to Client under this Agreement will be free from material defects and errors that would prevent the documented operational features of the System from functioning when used properly under normal conditions and in accordance with the documentation and instructions for use provided by ACS; and (c) the System delivered by ACS will not infringe on any copyright, patent, trade secret, or other intellectual property rights or proprietary rights of any third party.

The limited System warranty provided pursuant to clause "b" in the preceding paragraph shall not cover, and shall be void as to (i) any System component on which maintenance has been performed by a third party that has not been authorized in writing by ACS; (ii) any System component that has been altered or modified by Client or any third party that has not been authorized to do so in writing by ACS; (iii) any System component that is damaged due to the negligence or misconduct of Client or any third party; (iv) any System component that has been damaged as a result of failure to operate the System in accordance with documentation or operating instructions provided by ACS; or (v) any failure due to a force majeure event or due to exposure to unusual physical or electrical stress. If any component of the System is believed to be defective, Client shall give ACS prompt written notice that identifies each defect with specificity. ACS will investigate and verify each reported defect. Upon verification by ACS of a reported defect, ACS shall (as determined by ACS in the sole discretion of ACS) repair, replace, or otherwise correct each verified defect at no cost to Client.

Neither party shall be responsible for delays or failures in performance as a result of limitations or problems inherent in the use of the Internet and electronic communications; force majeure events, including but not limited to Acts of God, war, terrorism, civil disturbance, labor dispute, weather, or climate change; or other cause beyond the reasonable control of a party.

THE LIMITED WARRANTIES SET FORTH IN THIS SECTION ARE MADE TO CLIENT EXCLUSIVELY AND ARE IN LIEU OF ALL OTHER WARRANTIES. ACS MAKES NO OTHER WARRANTIES WHATSOEVER, EXPRESS OR IMPLIED, WITH REGARD TO ANY SYSTEM COMPONENTS OR THE SERVICES PROVIDED UNDER THIS AGREEMENT, IN WHOLE OR IN PART. ACS EXPLICITLY DISCLAIMS ALL WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE.

15. TORT AND PROPERTY DAMAGE CLAIMS

Each party shall defend, indemnify, and hold harmless the other party (and its successors, officers, directors, and employees) from any and all liabilities, claims, and expenses of whatever kind and nature for injury to or death of any person or persons and for loss of or damage to any real or tangible personal property occurring in connection with or in any way incident to or arising under this Agreement, resulting in whole or in part from the negligent acts or omissions of the indemnifying party. The indemnified party shall promptly notify the indemnifying party, in writing, of any claim and shall reasonably cooperate with the indemnifying party in the defense and settlement of the claim. The provisions of this Section shall survive termination of this Agreement.

16. INSURANCE

If ACS performs any of the Services on Client premises, ACS agrees to maintain standard insurance coverage in accordance with its corporate policy. Upon request, ACS will provide evidence of coverage on a standard ACORD form certificate of insurance.

20. RISK OF LOSS OR DAMAGE TO HARDWARE

ACS will bear the risk of loss or damage to any System component while in transit to Client installation site(s). Client will bear all risk of loss or damage to any System component after delivery to the installation site(s), unless the loss or damage is due to the negligence or willful acts of ACS, its employees, agents, or representatives.

21. LIMITATIONS OF LIABILITY

EXCEPT FOR SERVICE FEES AND AMOUNTS EXPRESSLY DUE AND PAYABLE TO ACS HEREUNDER, IN NO EVENT SHALL EITHER PARTY TO THIS AGREEMENT BE LIABLE TO THE OTHER PARTY HEREUNDER FOR ANY CLAIMS, PENALTIES OR DAMAGES, WHETHER IN CONTRACT, TORT, OR BY WAY OF INDEMNIFICATION, IN AN AMOUNT EXCEEDING THE FEES OR OTHER CHARGES PAID BY CLIENT TO ACS DURING THE THREE (3) MONTHS PRECEDING THE CLAIM. UNDER NO CIRCUMSTANCES WILL EITHER PARTY TO THIS AGREEMENT BE LIABLE FOR ANY INCIDENTAL, CONSEQUENTIAL, INDIRECT, PUNITIVE OR SPECIAL DAMAGES ARISING OUT OF OR IN CONNECTION WITH THIS AGREEMENT, HOWEVER CAUSED AND BASED ON ANY THEORY OF LIABILITY.

22. TERMINATION OF THE AGREEMENT

If ACS materially breaches any of the terms and conditions set forth in this Agreement or fails to perform the obligations set forth in this Agreement and fails to cure the breach or failure within thirty (30) calendar days (or other reasonable period stated in the notice) after receipt of written notice specifying the basis for the breach or failure to perform, Client may terminate this Agreement. Termination by Client shall be effective upon delivery of final payment to ACS of

all sums due under this Agreement to the effective date of the termination. Client agrees to discontinue use of all hardware, software, and other ACS-owned materials no later than the effective date of termination and return the hardware, software, and other ACS-owned materials to ACS within thirty (30) calendar days after termination.

If Client materially breaches any of the terms and conditions set forth in this Agreement or fails to perform the obligations set forth in this Agreement and fails to cure the breach or failure within forty-five (45) calendar days (or other reasonable period stated in the notice) after receipt of written notice specifying the basis for the breach or failure to perform, ACS may terminate this Agreement for breach. Termination by ACS shall be effective upon written notice to Client. Client agrees to discontinue use of all hardware, software, and other ACS-owned materials no later than the effective date of termination and return the hardware, software, and other ACS-owned materials to ACS within thirty (30) calendar days after termination.

Either party may terminate this Agreement at the end of the Term or any Extended Term by providing sixty (60) calendar days written prior notice to the other party of the non-renewal of the Agreement.

This Agreement is subject to termination for convenience upon not less than thirty (30) days written notice to ACS if Client has failed to receive funds for the continued procurement of the Products or Services after every reasonable effort has been made by Client to secure the necessary funding and if no substitute arrangement is made by Client to obtain the same or similar Products or Services from another source.

10. RELATIONSHIP OF THE PARTIES

This Agreement shall not constitute, create, give effect to, or otherwise imply a joint venture, partnership, or business organization of any kind. ACS and Client are independent parties, and neither party shall act as an agent for or partner of the other for any purpose. Nothing in this Agreement shall grant to either party any right to make any commitments of any kind for or on behalf of the other party without the prior written consent of the other party. ACS shall not be restricted from providing products or performing services for others and shall not be bound to Client except as provided under this Agreement.

25. NOTICES TO PARTIES

Unless otherwise specified in this Agreement, all notices, requests, or consents required under this Agreement to be given in writing shall be transmitted by facsimile, hand delivered, or mailed (first class postage prepaid) to the person indicated below. Each party shall notify the other, in writing, of any change in the designated addressee or related information.

To ACS:

Government Records Services, Inc.
8600 Harry Hines Blvd., Suite 300
Dallas, TX 75235

Attn: Hubert Auburn

Telephone: 214-956-6365
Facsimile: 214-902-5058

To Client:

Navarro County Clerk's Office
300 West 3rd Ave., Suite 101
Corsicana, TX 75151

Attn: Honorable Sherry Dowd

Telephone: 903-654-3035
Facsimile: 903-872-7329

26. DISPUTE RESOLUTION

It is the intent of the parties that any disputes arising under this Agreement be resolved expeditiously, amicably, and at the level within each party's organization that is most knowledgeable about the relevant issues. The parties understand and agree that the procedures outlined in this Section are not intended to supplant the routine handling of inquiries and complaints through informal contact of the parties. Accordingly, for purposes of the procedures set forth in this Section, a "dispute" is a disagreement that the parties have been unable to resolve by the normal and routine channels ordinarily used for resolving problems. Pending the final disposition of a dispute other than a dispute arising out of the termination of this Agreement by either party, the parties shall, at all times, proceed diligently with the performance of this Agreement. Before either party seeks any remedies available at law, the parties shall sequentially follow the procedures set forth below:

- (a) The complaining party will notify the other party in writing of the reasons for the dispute, and the parties will work together to resolve the matter as expeditiously as possible. A formal written response will not be required, but the responding party may put its position in writing in order to clarify the issues or suggest possible solutions.
- (b) If the dispute remains unresolved fifteen (15) calendar days after the delivery of the complaining party's written notice, a senior representative of ACS and the Client (or a representative of Client who has authority to act to resolve the dispute) shall meet or participate in a telephone conference call within ten (10) business days of a request for the meeting or conference call by either party to resolve the dispute.
- (c) If the parties are unable to reach a resolution of the dispute after following these procedures, or if either party fails to participate when requested, then the parties may pursue any remedies available under this Agreement.

28. HEADINGS

The section headings used in this Agreement are merely for reference and have no independent legal meaning and impose no obligations or conditions on the parties.

29. SEVERABILITY

If all or part of any term or condition of this Agreement, or the application of any term or condition of this Agreement, is determined by any court of competent jurisdiction to be invalid or unenforceable to any extent, the remainder of the terms and conditions of this Agreement (other than those portions determined to be invalid or unenforceable) shall not be affected, and the remaining terms and conditions (or portions of terms or conditions) shall be valid and enforceable to the fullest extent permitted by law. If a judicial determination prevents the accomplishment of the purpose of this Agreement, the invalid term or condition (or portions of terms or conditions) shall be restated to conform to applicable law and to reflect as nearly as possible the original intention of the parties.

30. ASSIGNMENT

This Agreement shall be binding on the parties and each party's successors and assigns. ACS may assign or otherwise transfer this Agreement and any rights, duties, or obligations under this Agreement to a corporate parent, subsidiary, or affiliate of ACS. Any other attempt to make an assignment without prior written consent of the Client shall be void.

31. WAIVER OR FOREBEARANCE

Any delay or failure of either party to insist upon strict performance of any obligation under this Agreement or to exercise any right or remedy provided under this Agreement shall not be a waiver of that party's right to demand strict compliance, irrespective of the number or duration of any delay(s) or failure(s). No term or condition imposed on either party under this Agreement shall be waived and no breach by either party shall be excused unless that waiver or excuse of a breach has been put in writing and signed by both parties. No waiver in any instance of any right or remedy shall constitute waiver of any other right or remedy under this Agreement. No consent to or forbearance of any breach or substandard performance of any obligation under this Agreement shall constitute consent to modification or reduction of the other obligations or forbearance of any other breach.

32. INJUNCTIVE RELIEF

The parties recognize that a remedy at law for a breach of the provisions of this Agreement relating to proprietary and confidential information; the unauthorized use of any trademark, copyright, or other intellectual property of ACS; or solicitation of ACS employees or business customers may not be adequate for protection of ACS, and accordingly ACS shall have the right to seek injunctive relief to enforce the provisions of this Agreement, in addition to any other relief and remedies available.

34. CUMULATIVE REMEDIES

All remedies available to either party for breach of this Agreement by the other party are and shall be deemed cumulative and may be exercised separately or concurrently. The exercise of a remedy shall not be an election of that remedy to the exclusion of other remedies available at law or in equity.

35. SURVIVAL

Any provision of this Agreement which contemplates performance or observance subsequent to any termination or expiration of this Agreement, will survive expiration or termination of this Agreement.

36. GOVERNING LAW

This Agreement shall be governed by, interpreted, construed, and enforced in accordance with the laws of the State of Texas, without reference to the principles of conflict of laws. Lawsuits brought solely for injunctive relief may be brought in any court of competent jurisdiction.

37. ENTIRE AGREEMENT

The contents of this Agreement (including the Statement of Work and any other schedules or attachments to this Agreement that are referred to and incorporated in this Agreement by reference) constitute the entire understanding and agreement between the parties and supersede any prior agreements, written or oral, that are not specifically referenced and incorporated in this Agreement. The terms and conditions of this Agreement shall not be changed or modified except by written agreement signed by both parties.

IN WITNESS WHEREOF, the undersigned authorized representatives of ACS and the Client have executed this Agreement.

Government Records Services, Inc.

Navarro County, TX

By: 

By: 

Printed Name: Hubert P. Auburn

Printed Name: H.M. DAVENPORT, Jr.

Title: Vice President

Title: County Judge

Date: 1/27/11

Date: 2-14-11

SCHEDULE A STATEMENT OF WORK

This Statement of Work is incorporated in the Agreement for Products and Services ("Agreement") by and between Government Records Services, Inc. ("ACS") and Navarro County, TX ("Client").

A. SCOPE OF SERVICES

ACS RESPONSIBILITIES

1. ACS shall perform the following Services for Client:

Install and implement the current version of the 20/20 Perfect Vision © Software, the ACS open architecture land records document management, imaging, and workflow software (the "System"), and install 20/20 Perfect Vision System at the Client's site located at 300 West 3rd Ave., Suite 101, Corsicana, TX 75151.

ACS will be responsible for the design, development, management, installation, training, acceptance, and support of the Software.

The installation will be customized to include the following System modules and functions:

- Recording
- Cashiering
- Indexing
- Imaging
- Searching
- Retrieval
- Reporting
- Local public access
- Web Delivery
- Workflow functions (ACS will adjust workflow parameters, as appropriate)

ACS will continue to provide all existing Navarro County system functionality and support services.

ACS will convert all existing Client index data and image data to the System as part of the installation services.

At the end of each month, upon notification from the Client that all index entries have been completed and verified, ACS will provide the Client with year-to-date index listings in strict alphabetical order.

At the end of each year, ACS will create a multi-year printout until a five (5) year period is accumulated. ACS will continue this frequency in five (5) one-year increments to provide a ten (10) year printed index to the Client. Printing will be in black ink.

ACS will provide Full Service Indexing for Client. The index will be created from images downloaded from the Client and will be loaded back onto the Client's 20/20 System.

ACS will provide archival and disaster recovery services for the term of the Agreement.

ACS will provide digital image to microfilm conversion and storage for archiving.

ACS will be responsible for the initial education and training on the System. Initial education and training shall include on-site education training of all Client employees who will work with the System. The education and training will be adapted to the reasonable needs of the Client employees to ensure each employee is fully prepared to use the system.

ACS will perform all on-going support of the System, including hardware and software, during the term of this Agreement.

ACS will be responsible for replacing any damaged ACS-owned equipment or providing insurance to cover the cost of replacing the equipment.

ACS will install, service, and maintain all ACS-owned equipment (listed in the table below) and software installed at the Client's site during the term of this Agreement.

HARDWARE CONFIGURATION

Component	Quantity	Description
Dell PowerEdge T410 Tower	1	Image and Data Base Server
APC SmartUPS 1500 LCD	1	UPS for Server
Dell OptiPlex 980 Small Form Factor w/ 23" LCD	2	Scanning Workstation
Xerox 765	2	Duplex Scanner with Legal and 11" x 17" Sheet-feed Capability
Xerox 700	1	Flatbed Scanner Attachment
Dell OptiPlex 980 Small Form Factor w/ 23" LCD	6	Public Workstation
Dell OptiPlex 980 Small Form Factor w/ 23" LCD	3	Cashiering Workstation
Axiohm 760	3	Receipt Printer/Validator
TPG	3	Cash Drawer
Hewlett Packard LaserJet 4015x dtn	1	Networked Duplex Laser Printer
Hewlett Packard LaserJet 4015tn	1	Networked Laser Printer
APC Back-UPS 550	5	UPS for Scanning and Cashiering Workstations
APC SurgeArrest Performance	8	Power Strips for Public Workstations, Firewall, and Network Switch
Dell PowerConnect 2848 Switch	1	Network Switch
Cisco ASA 5505	1	Firewall Appliance
Seagate GO Flex 2 TB External Hard Drive	1	Backup Drive
Seagate GO Flex PRO 750 GB Hard Drive w/dock	1	Backup USB Drive with Docking Station
Seagate GO Flex PRO 750 GB Hard Drive	4	Backup USB Drives
Kingston 8 GB Flash Drive	5	Backup Flash Drives

SOFTWARE

- Microsoft Windows 2008 Server Standard – 64 bit
- Microsoft SQL Server 2008
- Microsoft Windows 7 Professional
- McAfee Anti-Virus
- Symantec Ghost
- Symantec BackUp Exec
- Kofax Adrenaline Image Processing Engine (Scanning)
- PDF Factory Pro Server (Server)

Equipment configurations are subject to technology advances and changes in vendor availability.

20/20 PERFECT VISION APPLICATIONS

- Real Property
- Marriages
- Marriage License Issuance
- Probate
- Military Discharge
- Assumed Names
- Commissioner's Court Minutes
- Marks and Brands
- Plats

CLIENT RESPONSIBILITIES

Client understands and agrees that successful implementation of the Software requires the Client to assign a high priority to the successful implementation. To that end, Client agrees to make all reasonable efforts to have Client personnel available to assist in the implementation efforts and to be trained at the appropriate times.

Client agrees to be responsible for purchasing, installing and managing all necessary anti-virus protection software and anti-virus software updates on the Client server and all Client networked PC workstations.

Client agrees to allow ACS to schedule an ACS support person to be on the Client site for all installations.

Client will provide printer ribbons, toner cartridges, printer paper and 24# Linen Ledger recording paper, electricity, magnetic media for backups and image extractions, pick rollers and pad assemblies, cabling requirements, Internet access, and other miscellaneous supplies not specifically provided by ACS.

Client will provide document reception and preparation and will input all instruments for fee collection, indexing, and imaging purposes.

Client will package and deliver to ACS the necessary backup media and other forms. Client will pay the freight costs associated with this requirement.

Client will provide a medium speed broadband connection to the internet (DSL, Cable, etc.) of sufficient bandwidth to do database replication and support.

ACS will allow Client to interconnect the Client PC network and the ACS system network in order to extend public access to additional Client workstations on the existing Client computer network, or to install email or general internet access services on

Contractor workstations for Client employees, or for other purposes. If interconnectivity is established, the following shall apply:

Client agrees to be fully responsible for restoring the System in the event of virus disruption.

In the event of downtime determined by ACS to have been caused by virus contamination of the System or traceable by ACS to Client-installed software, Client agrees to pay ACS for restoration of the system at the current ACS hourly labor rate (\$150 per hour on the Effective Date of the Agreement and subject to change to reflect increased costs of labor and materials).

B. ACCEPTANCE AND TESTING

Client shall have ten (10) business days after notification by ACS that the System is ready for acceptance to inspect and accept the System delivered and installed by ACS or decline to accept the System. If Client declines to accept all or any part of the System, Client will provide ACS a written description of the deficiencies and a reasonable opportunity to cure those deficiencies.

Client will indicate acceptance of the System in writing. However, if client fails to decline to accept the System and deliver a written list of deficiencies to ACS within ten (10) business days after receipt of notice of delivery, the System will be deemed to have been accepted by Client.

Client understands and agrees that minor defects (i.e, defects that do not inhibit the System from operating in substantial accordance with ACS specifications) shall not constitute grounds for declining to accept the System. Minor defects may be corrected in subsequent releases of the System provided by ACS as part of ongoing warranty or maintenance of the System.

C. PAYMENT AND RATES

ACS will invoice Navarro County on a monthly basis for the identified services based on the following price schedule.

Service	Price
20/20 Perfect Vision Land Records Management System	\$4,325.00 per month
Full Service Indexing	\$3.50 per instrument
Internet Hosting Services (based on retrieval page) (50% of all revenues received from this service will be rebated to County Clerk as a credit on the monthly invoice.)	\$1.00

Pricing includes up to 7 sets of licenses for Navarro County owned workstations.

County of NAVARRO
State of Texas

RESOLUTION

WHEREAS, NAVARRO County is responsible for the operation and management of many and various governmental programs as required or authorized by state law; and

WHEREAS, many state officials appropriately oppose unfunded mandates sent down to states from the federal government; and

WHEREAS, the state of Texas, acting through the Texas Legislature or through a state agency or executive order, enacts laws or promulgates rules that have the effect of imposing mandatory financial obligations upon Texas counties in the same manner that federal mandates obligate the state; and

WHEREAS, such unfunded or underfunded mandates disproportionately burden local property taxpayers with paying for state programs, resulting in local tax increases and/or cutbacks in local programs; and

WHEREAS, Rep. Burt Solomons has filed HJR 56 in the 82nd Legislature, a constitutional amendment that would "restrict the power of the Legislature to mandate requirements upon certain local governments," including counties, cities, hospital districts, community college districts, and special districts created by those entities; and

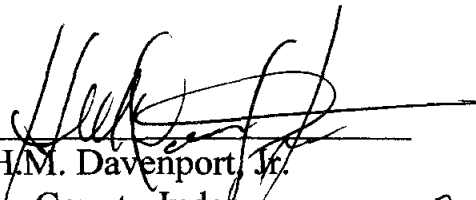
WHEREAS, HJR 56 states that "no bill enacted by the Legislature on or after Jan. 1, 2012 requiring a local government to establish, expand or modify a duty or activity that requires the expenditure of revenue by the local government shall be effective until and unless the Legislature appropriates or otherwise provides for the payment or reimbursement, from a source other than the revenue of the local government, of the costs incurred for the biennium by the local government in complying with the requirement;"

NOW, THEREFORE, the County of NAVARRO hereby resolves that it is in the best interests of Texas counties and their taxpayers to support and favor the passage of HJR 56, as well as encouraging all


Members of the Texas House of Representatives to co-sponsor
HJR 56.

ADOPTED THE 14TH DAY OF FEBRUARY 2011

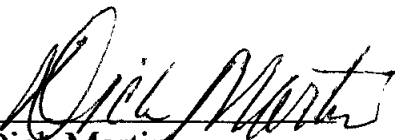
SIGNED AND ENTERED ON THE ABOVE DATE BY THE
FOLLOWING MEMBERS OF THE COMMISSIONERS COURT




H.M. Davenport, Jr.
County Judge




Kit Herrington
Commissioner, Precinct 1



Dick Martin
Commissioner, Precinct 2



David Warren
Commissioner, Precinct 3



James Olsen
Commissioner, Precinct 4