

NAVARRO COUNTY COMMISSIONER'S COURT

A Special meeting of the Navarro County Commissioner's Court was held on Monday, the 24th day of September, 2012 at 10:00 a.m., in the County Courtroom of the Navarro County Courthouse in Corsicana Texas. Presiding Judge HM Davenport, Commissioners Present Kit Herrington, David Warren, Dick Martin, and James Olsen.

1. 10:08 a.m. Motion to convene by Comm. Herrington sec by Comm. Warren
All voted aye motion carried
2. Opening prayer by Commissioner Herrington
3. Pledge of Allegiance
4. Public Comments –no comments

CONSENT AGENDA

Motion to approve the consent agenda items 5-8 by Comm. Herrington Sec by Comm. Olsen
All voted aye motion carried

5. Motion to approve the minutes from the previous meetings of September 10th, 2012, and September 18th, 2012
6. Motion to approve and pay bills as submitted by the County Auditor including current bills and payroll (paid 9/15/2012).
7. Motion to approve revenue certification pursuant to LGC Sec. 111.0707, Special Budget for revenue received after the start of the fiscal year from State of Texas for FEMA-4029 Wildfires-Pass Thru in the amount of \$83,335.16
8. Motion to approve special budget amendment in accordance with the LGC Sec. 111.0707 to budget for VFD distributions (see attached detail) in the amount of \$83,297.64
TO WIT PG 777A-778

REGULAR AGENDA

9. Presentation to the Navarro County Historical Commission presented to Bruce McManus by Judge Davenport
10. No action taken on burn ban remains in place

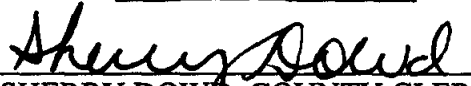
11. Motion to change Commissioner's Court date from October 8th, 2012 to October 9th, 2012 due to Columbus Day Holiday by Comm. Martin sec by Comm. Warren
All voted aye motion carried
12. Motion to approve salvage yard permit in the McNeal Survey A-8 tract 42B, Located off I-Hwy 45 and SE CR 1050 for V & M Truck Sales by Comm. Warren
Sec by Comm. Olsen **TO WIT PG 779-788**
All voted aye motion carried
13. Motion to approve August Tax Collection Report, Russell Hudson by Comm. Olsen sec by Comm. Martin **TO WIT PG 789-794**
All voted aye motion carried
14. Motion to approve to revise District Clerks Seal from District Court to District Clerk by Judge Davenport sec by Comm. Herrington
All voted aye motion carried
15. Motion to approve appointing Chris Aldama to replace Kit Herrington as the representative for Navarro County on the North Texas Behavioral Authority Board by Comm. Herrington sec by Comm. Martin
All voted aye motion carried
16. Motion to approve Budget Amendment for Pct. 1, approval to transfer \$10,000 from Deputies and Assistants to repairs and maintenance by Comm. Herrington sec by Comm. Olsen
All voted aye motion carried
17. Motion to approve Equipment Lease-Purchase Agreement with Welch State Bank for Lease/Purchase of a 2012 Cat 120M2 Grader sn #M0C00264 in Pct. 1 by Comm. Herrington sec by Comm. Olsen **TO WIT PG 795-814**
All voted aye motion carried
18. Motion to approve a Equipment Lease-Purchase Agreement with Welch State Bank for Lease/Purchase of a 2012 Cat 120M2 Grader sn #M9C00249 in Pct. 2 by Comm. Martin sec by Comm. Warren **TO WIT PG 815-832**
All voted aye motion carried
19. Motion to approve revised Waiver of Local Matched Fund and Resolution for SECR 3040, Pct. 2 and NWCR 2310, Pct. 4 by Comm. Olsen sec by Comm. Warren **TO WIT PG 833-835C**
All voted aye motion carried

20. Motion to approve Quit Claim Deed for Samaria Property by Comm. Martin sec by Comm. Herrington
TO WIT PG 836-836A
All voted aye motion carried
21. Motion to approve extending engagement of Patillo Brown & Hill, LLP to perform financial audit services for fiscal years ending September 30, 2012 and 2013, in accordance with Section 2.04 of RFP 2009-010 by Judge Davenport sec by Comm. Martin
TO WIT PG 837-851
All voted aye motion carried
22. Motion to approve renewal Application for Public Officials Professional Liability Coverage with Texas Association of Counties Risk Management Pool by Comm. Martin sec by Comm. Warren
TO WIT PG 852-857
All voted aye motion carried
23. Motion to approve Workers' Compensation Renewal Payroll Entry Worksheet for submission to Texas Association of Counties Risk Management Pool by Comm. Martin sec by Comm. Warren
TO WIT PG 858-861
All voted aye motion carried
24. Motion to approve as salvage old computers and printers from the IT Department by Comm. Olsen sec by Comm. Warren
TO WIT PG 862-868
All voted aye motion carried
25. Motion to approve all annual bids as submitted and consideration of awarding annual requirements contracts for auto parts, culverts, box culverts, fuel road materials, hauling and dust control products by Comm. Herrington sec by Comm. Martin
TO WIT PG 869-875
All voted aye motion carried
26. Motion to go into Executive Session pursuant to the Texas Government Code Section 551.074 to discuss Personnel by Comm. Olsen sec by Comm. Herrington
All voted aye motion carried

Motion to come out of Executive Session by Comm. Herrington sec by Comm. Martin
All voted aye motion carried
27. No action taken on Executive Session pursuant to the Texas Government Code Section 551.074 to discuss Personnel
28. Motion to adjourn by Comm. Martin sec by Comm. 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 SEPTEMBER 24TH, 2012.

SIGNED 24TH DAY OF SEPTEMBER 2012.


SHERRY DOWD, COUNTY CLERK



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SPECIAL BUDGET

**FROM REVENUE RECEIVED AFTER THE START OF THE FISCAL YEAR
LOCAL GOVERNMENT CODE 111.07075**


Fund- Department – Account	Description	Current Budget	Requested Increase	Amended Budget
2012-101-330-090	Federal – Other	\$ 34,394.29	\$83,335.16	\$ 117,729.45
2012-101-406-460	Intergov Due to Others	\$ 32,914.65	\$83,297.64	\$ 116,212.29


This budget amendment is to recognize the revenue received from FEMA through the Texas Department of Public Safety for wildfire event and to budget distribution to the Volunteer Fire Departments.


Submitted by:

Revenue Certified by:

Approved by Commissioners Court:


 Kathy B. Hollomon
 Navarro County Auditor


 Kathy B. Hollomon
 Navarro County Auditor


 H. M. Davenport Jr.
 Navarro County Judge

Date: 9/20/12

Date: 9/20/12

Date: 9/24/12

Approved

Navarro VFD Split Repairs/Equipment & Materials

VFD	Repairs	Equipment	Materials	Labor	Total Approved	Federal Share	\$'s to VFD (75%)	PW #
Powell VFD	\$2,377.24	\$3,762.50	\$3,290.00	\$1,097.50	\$10,527.24	75.00%	\$7,895.43	590/592/666/677
Blooming Grove VFD	\$697.29	\$4,925.00	\$2,798.00	\$1,662.50	\$10,082.79	75.00%	\$7,562.09	586/590/592/594/666/677
Navarro Mills VFD		\$6,067.50	\$1,131.99	\$1,845.00	\$9,044.49	75.00%	\$6,783.37	586/591/666/677
Union High VFD		\$910.00	\$374.64	\$130.00	\$1,414.64	75.00%	\$1,060.98	592/666/677
Chatfield VFD		\$420.00	\$38.43	\$200.00	\$658.43	75.00%	\$493.82	591/666/676
Roane VFD	\$825.67	\$2,990.00		\$400.00	\$4,215.67	75.00%	\$3,161.75	591/594/666/676
Barry VFD		\$3,367.00	\$336.00	\$1,173.00	\$4,876.00	75.00%	\$3,657.00	586/666/676
Retreat VFD		\$3,724.70	\$7,881.72	\$1,930.00	\$13,536.42	75.00%	\$10,152.32	586/587/666/676
Mustang VFD		\$965.40	\$1,180.34	\$136.10	\$2,281.84	75.00%	\$1,711.38	589/666/676
Richland VFD		\$2,106.30	\$1,382.20	\$478.60	\$3,967.10	75.00%	\$2,975.33	585/666/676
Angus VFD		\$3,465.00	\$663.73	\$632.50	\$4,761.23	75.00%	\$3,570.92	586/590/666/676
Eureka VFD		\$7,214.90	\$1,418.36	\$1,975.80	\$10,609.06	75.00%	\$7,956.80	590/594/666/676
Pursley VFD		\$1,789.20		\$504.80	\$2,294.00	75.00%	\$1,720.50	666/677
287 R/C VFD		\$5,969.00		\$1,627.50	\$7,596.50	75.00%	\$5,697.38	666/677
Mildred VFD		\$3,384.00		\$3,690.00	\$7,074.00	75.00%	\$5,305.50	666/677
Kerens VFD		\$4,880.00		\$1,612.50	\$6,492.50	75.00%	\$4,869.38	666/677
Emhouse VFD		\$480.00		\$240.00	\$720.00	75.00%	\$540.00	666/676
Frost VFD		\$1,325.00	\$9,041.61	\$545.00	\$10,911.61	75.00%	\$8,183.71	592/593/666/677
1% error on sheet								
	\$3,900.20	\$57,745.50	\$29,537.02	\$19,880.80	\$111,063.52	75.00%	\$83,297.64	
	Total Applied for				\$94,183.83			
	Total Money Disbursed to County				\$83,297.64			

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#12

779

LICENSE NO.
512-0002



Navarro County Planning & Development
Environmental Compliance Division
300 West 3rd Ave. Suite 16
Corsicana, Texas 75110
Phone No. (903) 875-3311

AUTOMOTIVE WRECKING/SALVAGE, JUNKYARD LICENSE

Navarro County, under the authority Chapter 396 of the Texas Transportation code, issues an Automotive Wrecking/Salvage or Junkyard License to:

V & M TRUCK SALES

Company Name

Pending

Site Address

972-544-2049

Telephone Number

This license is valid, unless revoked for cause, for a period of one year (12 months) from: 10-1-2012 until 10-1-2013 and authorized the above named company to operate an Automotive Wrecking/Salvage or Junkyard in accordance with all Federal, State and Local ordinances and regulations within Navarro County.

By:

[Signature]

Title:

Navarro Co. Judge

Date of issuance:

10-1-2012

Half of the approved screening/fencing must be completed by 6 MONTHS and the remainder completed by 12 MONTHS or this permit will be cancelled and you may be subject to legal action and/or enforcement.



Navarro County Planning & Development
Environmental Compliance Division
300 West 3rd Ave. Suite 16
Corsicana, Texas 75110
Phone No. (903) 875-3311

Permit Application Number: S12-0002

(If applying for a permit renewal, complete questions 1, 2 and 3 then sign the second page to certify the application information.)

1. Nature of Permit (check all that apply)

- New
- Renewal
- Automotive Wrecking/Salvage Yard
- Junkyard

Type of junk to be handled: _____

2. Business information

Name of Business: V & M TRUCK SALES

Physical Address: Pending

Applicant Name: VICTOR PUJIDO

Applicant Mailing Address: 6675 CR 4098 KAUFMAN TX 75142

Applicant Physical Address: SAME ↑

Business Phone: (972) 544-2049

Applicant Phone No.: (214) 463-7291

3. Property Owner Information (if different from applicant)

Property Owner Name: IZZRAZZ INC

Mailing Address: P.O. Box 561 Excelsior, MN 55331

Physical Address: _____

Phone Number: 952-593-1111

4. Screening Information

Location and type of existing screening and proposed screen or fence to be added:

Salvage yard will be screened by 8ft
high baked enamel sheet metal

5. Attach plat showing compliance with location requirements from Navarro County Surveyor's Office or a Registered Surveyor.

6. Attach at least four (4) 8x10 color photographs showing the entire covered business.

This application will be presented to the Commissioners' Court of Navarro County for consideration the second week after receipt and passing review by the Navarro County Planning and Development Department.

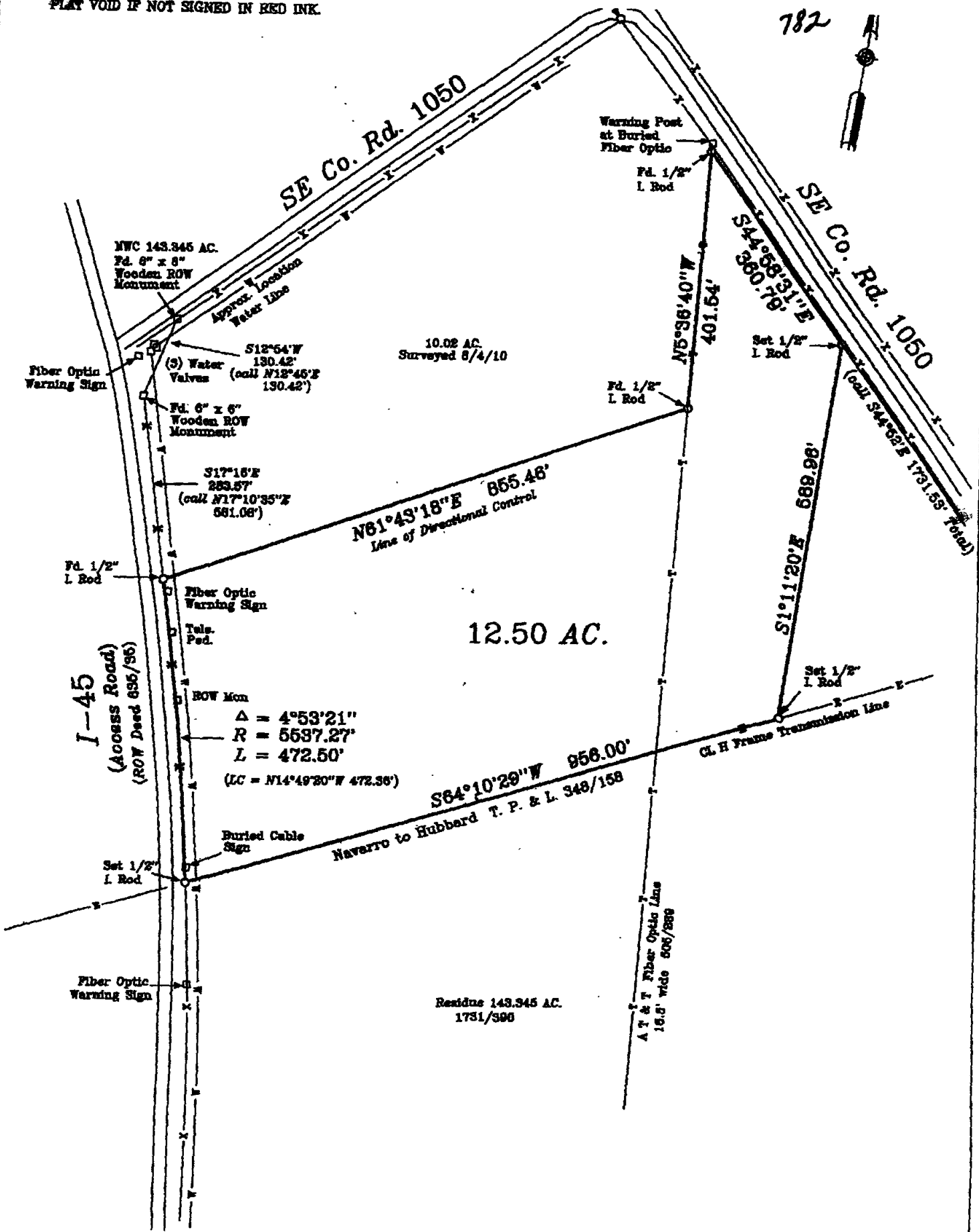
This is certify that I have read the attached ordinance for licensing junkyards and automotive and salvage yards within the unincorporated areas of Navarro County, Texas as adopted by the Navarro County Commissioners' Court on the 11th day of July, 1988 and that the information on this permit application is true and accurate.

Victor M. Bullock
Applicants Signature

9-7-2012
Date

PLAT VOID IF NOT SIGNED IN RED INK.

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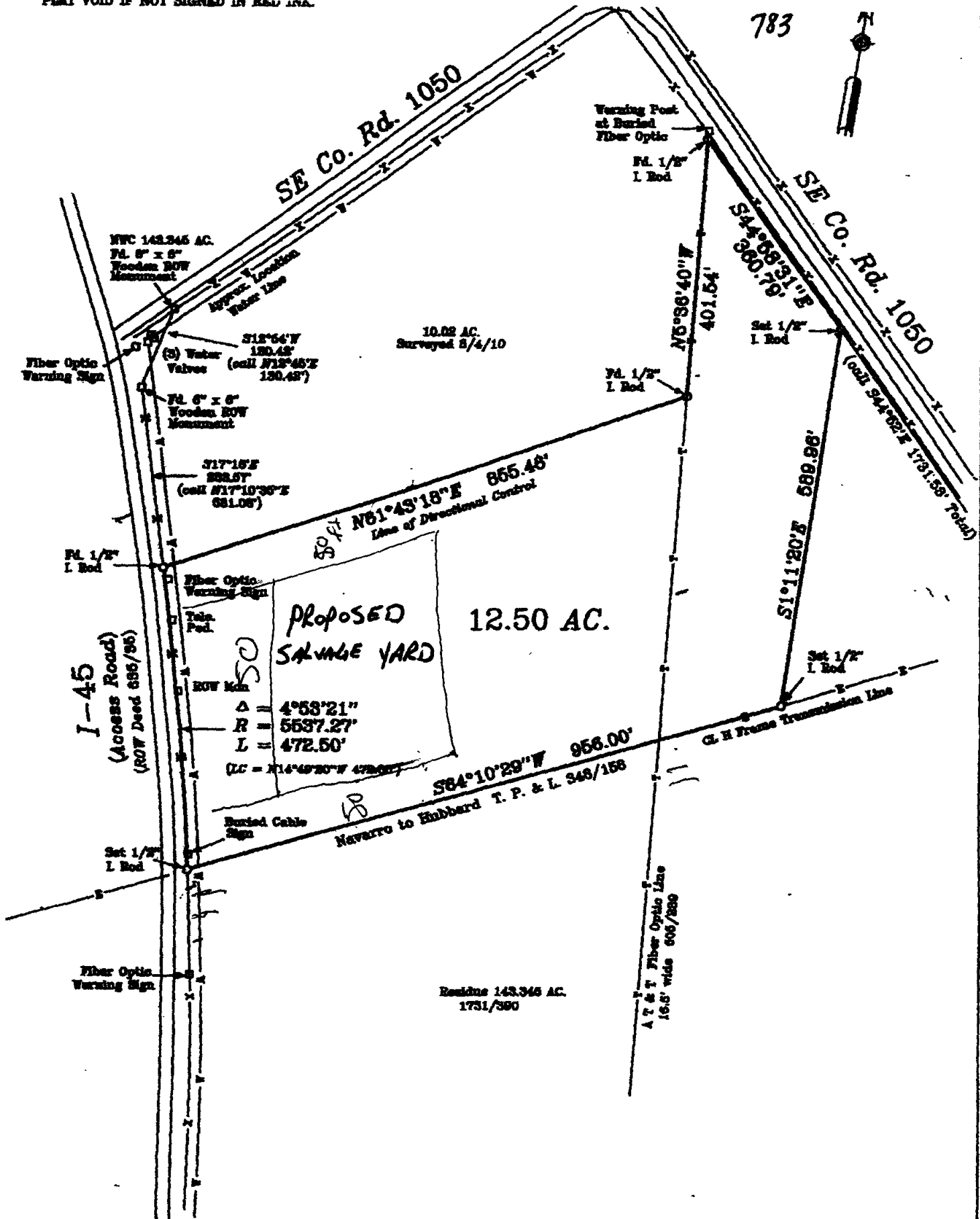
FIELD NOTES ACCOMPANY THIS PLAT

SCALE = 1" = 200'

I, Billy D. Murphree, Jr., R.P.L.S. No. 3002, declare that the plat shown hereon represents the results of an on the ground survey made under my direction and supervision on July 19, 2012 and this survey complies with the Texas Board of Professional Land Surveyors' Standards effective September, 1992.

Also this survey substantially complies with the current Texas Society of Professional Surveyors' Standards and Specifications for a Category A Survey. This survey was performed and partially plotted by the

SURVEY - JOHN McNEAL LEAGUE A-8
DESCRIPTION - PART 1731/390
COUNTY - NAVARRO



FIELD NOTES ACCOMPANY THIS PLAT

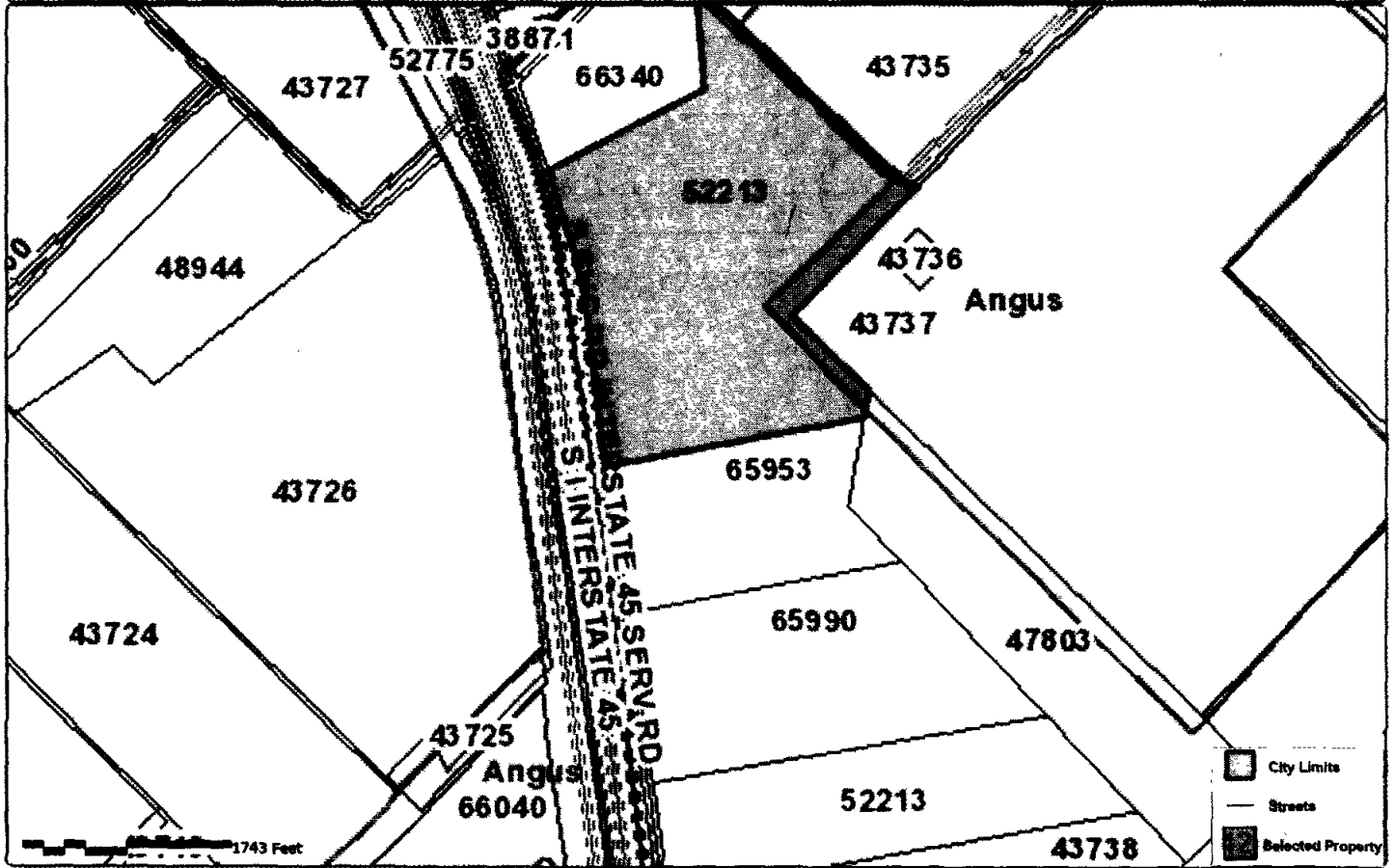
SCALE = 1" = 200'

I, Billy D. Murphy, Jr., R.P.L.S. No. 3902, declare that the plat shown herein represents the results of an on the ground survey made under my direction and supervision on July 19, 2012 and this survey complies with the Texas Board of Professional Land Surveyors Standards effective September, 1992.

This survey substantially complies with the current Texas Society of Professional Land Surveyors Standards and Specifications for a Category II Condition Survey. This survey was performed and partially relied on the information furnished in the transaction described in G.F. No. C712-611-4

SURVEY - JOHN McNEAL LEAGUE	AYS	AS
DESCRIPTION - PART 1731/390		
COUNTY - NAVARRO		

Navarro CAD - Map of Property ID 52213 for Year 2012



Property Details

Account

Property ID: 52213
 Geo ID: 10008.00.0042B.000.00.0
 Type: Real
 Legal Description: ABS A10008 J MCNEAL ABST,TRACT 42B,67.925 ACRES

Location

Situs Address:
 Neighborhood:
 Mapsco:
 Jurisdictions: GNV, JCN, NFL, RBC, SCO, CAD

Owner

Owner Name: IZZRAZZ INC
 Mailing Address: , PO BOX 561, EXCELSIOR, MN 55331

Property

Appraised Value: \$4210

<https://propaccess.trueautomation.com/Map/View/Map/91/52213/2012>



Map Disclaimer: This product is for informational purposes only and may not have been prepared for or be suitable for legal, engineering, or surveying purposes. It does not represent an on-the-ground survey and represents only the approximate relative location of property boundaries. The Navarro County Appraisal District expressly disclaims any and all liability in connection herewith.

785

476

5440

5277

WELL VICTOR
CAROLE

SYSTEMS INC

GE

ENERGY LLC

66340 MILLS LONNIE & BRENTA

INTERSTATE 45 N
00

43727 LS COOK FAMILY LIMITED PART

43713 DEWOLFF CORNELIUS

SW CR 0070
6863 6425

48944 MAYFIELD RANDOLPH W & HEATHER M

52213 IZZRAZZ INC

INTERSTATE 45 N
00

145 S
00
S 145 SERVICE RD
00

43726 LS COOK FAMILY LIMITED PARTNERSHIP LP

47803 BLACKBURN
65953 NEAL JAMES M & SHANA L HALL

786

Navarro CAD

Property Search Results > 52213 IZZRAZZ INC for Year 2012

Property

Account

Property ID: 52213 Legal Description: ABS A10008 J MCNEAL ABST,TRACT 42B,67.925 ACRES
 Geographic ID: 10008.00.0042B.000.00.0 Agent Code:
 Type: Real
 Property Use Code:
 Property Use Description:

Location

Address: Mapaco:
 Neighborhood: Map ID: L9
 Neighborhood CD:

Owner

Name: IZZRAZZ INC Owner ID: 30018
 Mailing Address: PO BOX 561 % Ownership: 100.0000000000%
 EXCELSIOR, MN 55331

Exemptions:

Values

(+) Improvement Homesite Value:	+	\$0	
(+) Improvement Non-Homesite Value:	+	\$0	
(+) Land Homesite Value:	+	\$0	
(+) Land Non-Homesite Value:	+	\$0	Ag / Timber Use Value
(+) Agricultural Market Valuation:	+	\$122,260	\$4,210
(+) Timber Market Valuation:	+	\$0	\$0
		<hr/>	
(=) Market Value:	=	\$122,260	
(-) Ag or Timber Use Value Reduction:	-	\$118,050	
		<hr/>	
(=) Appraised Value:	=	\$4,210	
(-) HS Cap:	-	\$0	
		<hr/>	
(=) Assessed Value:	=	\$4,210	

Taxing Jurisdiction

Owner: IZZRAZZ INC
 % Ownership: 100.0000000000%
 Total Value: \$122,260

Entity Description	Tax Rate	Appraised Value	Taxable Value	Estimated Tax
CAD Appr Dist	0.000000	\$4,210	\$4,210	\$0.00
GNV NAVARRO COUNTY	0.510800	\$4,210	\$4,210	\$21.51
JCN NAVARRO COLLEGE	0.119000	\$4,210	\$4,210	\$5.01
NFL NAVARRO FLOOD CONTROL	0.009000	\$4,210	\$4,210	\$0.38
RBC NAVARRO ROAD AND BRIDGE	0.107100	\$4,210	\$4,210	\$4.51
SCO CORSICANA ISD	1.283000	\$4,210	\$4,210	\$54.01
Total Tax Rate:	2.029000			

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Taxes w/Current Exemptions: \$85.42
 Taxes w/o Exemptions: \$85.42

Improvement / Building

No improvements exist for this property.

Land

#	Type	Description	Acres	Sqft	Eff Front	Eff Depth	Market Value	Prod. Value
1	8	75.1 TO 100 ACRES	67.9250	2958813.00	0.00	0.00	\$122,260	\$4,210

Roll Value History

Year	Improvements	Land Market	Ag Valuation	Appraised	HS Cap	Assessed
2013		N/A	N/A	N/A	N/A	N/A
2012		\$0	\$122,260	4,210	4,210	\$0 \$4,210
2011		\$0	\$140,740	4,830	4,830	\$0 \$4,830
2010		\$0	\$78,410	4,830	4,830	\$0 \$4,830
2009		\$0	\$139,760	10,750	10,750	\$0 \$10,750
2008		\$0	\$139,760	10,750	10,750	\$0 \$10,750
2007		\$0	\$185,020	10,750	10,750	\$0 \$10,750
2006		\$0	\$272,050	10,750	10,750	\$0 \$10,750

Deed History - (Last 3 Deed Transactions)

#	Deed Date	Type	Description	Grantor	Grantee	Volume	Page	Deed Number
1	12/29/2004 12:00:00 AM	WDVL	WD WITH VENDOR LIEN	OWEN ROBIN	IZZRAZZ INC	1731	390	0
2	11/17/2004 12:00:00 AM	WD	WARRANTY DEED	FISHER DONNA	OWEN ROBIN	1725	125	0
3	8/9/2004 12:00:00 AM	WD	WARRANTY DEED	DAWSON MATT	FISHER DONNA	1708	800	0

Tax Due

Property Tax Information as of 09/24/2012

Amount Due if Paid on: -

Year	Taxing Jurisdiction	Taxable Value	Base Tax	Base Taxes Paid	Base Tax Due	Discount / Penalty & Interest	Attorney Fees	Amount Due
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NOTE: Penalty & Interest accrues every month on the unpaid tax and is added to the balance. Attorney fees may also increase your tax liability if not paid by July 1. If you plan to submit payment on a future date, make sure you enter the date and RECALCULATE to obtain the correct total amount due.

Questions Please Call (903) 872-6161

NAVARRO COUNTY PLANNING AND DEVELOPMENT

REG 09-11-2012 10:50

STANLEY 0007

PLAT \$25.00

CHECK \$25.00

RECEIPT DATE 9-11-2012 No. 262733

RECEIVED FROM VM TRUCK SALES \$ 25.00

TWENTY FIVE & No/100 DOLLARS

FOR RENT
 FOR APPLICATION FOR SALVAGE YARD 512-0002

ACCOUNT CASH
 PAYMENT 25 CHECK FROM 1005 TO _____
 BAL. DUE _____

VM TRUCK SALES 1005
 1302 FM 664 OVILLA RD
 FERRIS TX 75125-8309

DATE 9-11-12 32-2/1110 TX 3422

PAY TO THE ORDER OF Navarro County \$ 25.00
Twenty five dollars & 00/100 DOLLARS

Bank of America
 ACH R/T 111000088

FOR Salvage permit Lector & Bulido

⑈001005⑈ ⑆111000025⑆ 488031818579⑈

FILED FOR RECORD
AT 4:05 O'CLOCK P.M.

SEP 07 2012

SHERRY BOWD
COUNTY CLERK NAVARRO COUNTY, TEXAS
BY [Signature] DEPUTY

I, RUSSELL P HUDSON, NAVARRO COUNTY TAX ASSESSOR/COLLECTOR, DO HEREBY SWEAR UNDER OATH,
THAT THE ATTACHED REPORT IS A TRUE AND CORRECT REPORT.

TOTAL PAGES INCLUDING COVER SHEET 6

#13
11/26/12
27-07-12
C-1-112.9
[Signature]

789

NAVARRO COUNTY, TEXAS
AD VALOREM TAXES COLLECTED DURING THE MONTH ENDING
AUGUST 2012

DESCRIPTION	TAXES	DISCOUNT	PENALTY & INTEREST	SUBTOTAL	COLLECTION FEE	REMOPTION PENALTY CAP %	NET TAXES DUE	MEMO ONLY ATTY FEES	% CURRENT COLLECTED
NAVARRO COUNTY									LEVY
CURRENT	73,748.94		13,755.80	87,504.74		0.05	87,504.69	17,248.92	16,410,955.92
DELINQUENT	26,862.25		12,506.46	39,368.71		0.01	39,368.70	7,286.51	%
TOTAL	100,611.19	-	26,262.26	126,873.45	-	0.06	126,873.39	24,535.43	0.45%
NAVARRO COLLEGE									LEVY
CURRENT	14,278.47		2,651.11	16,929.58		0.01	16,929.57	3,326.29	3,192,388.48
DELINQUENT	5,288.36	-	2,550.75	7,839.11			7,839.11	1,424.64	%
TOTAL	19,566.83	-	5,201.86	24,768.69	-	0.01	24,768.68	4,750.93	0.45%
CITY OF RICE									LEVY
CURRENT	472.78	-	89.63	562.41	24.80		537.61	112.50	133,058.53
DELINQUENT	74.45		30.67	105.12	8.08		97.04	21.04	%
TOTAL	547.23	-	120.30	667.53	32.88	0	634.65	133.54	0.36%
CITY OF KERENS									LEVY
CURRENT	3,326.33		631.87	3,958.20			3,958.20	791.63	247,342.75
DELINQUENT	135.85	-	61.61	197.46			197.46	39.49	%
TOTAL	3,462.18	-	693.48	4,155.66	-	0	4,155.66	831.12	1.34%
CITY OF CORSICANA									LEVY
CURRENT	23,282.89	-	4,254.96	27,537.85		0.05	27,537.80	5,346.16	7,662,316.49
DELINQUENT	11,796.06	-	5,809.05	17,605.11		0.02	17,605.09	3,495.07	%
TOTAL	35,078.95	-	10,064.01	45,142.96	-	0.07	45,142.89	8,841.23	0.30%

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NAVARRO COUNTY, TEXAS
AD VALOREM TAXES COLLECTED DURING THE MONTH ENDING
AUGUST 2012

DESCRIPTION	TAXES	DISCOUNT	PENALTY & INTEREST	SUBTOTAL	COLLECTION FEE	REDEMPTION PENALTY	NET TAXES DUE	MEMO ONLY ATTY FEES	% CURRENT COLLECTED
CITY OF BARRY									LEVY
CURRENT	56.51		10.74	67.25			67.25	13.44	16,437.24
DELINQUENT	28.99		9.00	37.99			37.99	7.60	%
TOTAL	85.50	-	19.74	105.24	-	0	105.24	21.04	0.34%
CITY OF EMHOUSE									LEVY
CURRENT	11.39	-	2.17	13.56			13.56		8,472.02
DELINQUENT	52.93		15.88	68.81			68.81	13.76	%
TOTAL	64.32	-	18.05	82.37	-	0	82.37	13.76	0.13%
CITY OF RICHLAND									LEVY
CURRENT	162.96	-	30.97	193.93			193.93	38.79	16,363.97
DELINQUENT	28.84		10.11	38.95			38.95	7.79	%
TOTAL	191.80	-	41.08	232.88	-	0	232.88	46.58	1.00%
CITY OF GOODLOW									LEVY
CURRENT	94.83	-	18.01	112.84	4.98		107.86	22.58	2,977.76
DELINQUENT	0.90		0.28	1.18	0.07		1.11	0.24	%
TOTAL	95.73	-	18.29	114.02	5.05	0	108.97	22.82	3.18%
CITY OF FROST									LEVY
CURRENT	208.93		39.54	248.47	10.94		237.53	49.69	77,267.60
DELINQUENT	190.35		71.95	262.30	18.94		243.36	52.46	%
TOTAL	399.28	-	111.49	510.77	29.88	0	480.89	102.15	0.27%
CITY OF DAWSON									LEVY
CURRENT	720.74		135.44	856.18			856.18	171.23	72,429.25
DELINQUENT	10.45		3.23	13.68			13.68	2.74	%
TOTAL	731.19	-	138.67	869.86	-	0	869.86	173.97	1.00%

TOTAL TAX REPORT -AUGUST 2012
Prepared by Gail Smith
Navarro County Tax Office

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NAVARRO COUNTY, TEXAS
AD VALOREM TAXES COLLECTED DURING THE MONTH ENDING
AUGUST 2012

DESCRIPTION	TAXES	DISCOUNT	PENALTY & INTEREST	SUBTOTAL	COLLECTION FEE	RENTION PENALTY	NET TAXES DUE	MEMO ONLY ATTY FEES	% CURRENT COLLECTED
CITY-BLOOMING GROVE									LEVY
CURRENT	494.32		66.42	560.74			560.74	82.10	99,560.25
DELINQUENT	215.93		83.88	299.81			299.81	59.96	%
TOTAL	710.25	-	150.30	860.55	-	0.00	860.55	142.06	0.50%
NAVARRO COUNTY ESD #1									LEVY
CURRENT	677.19	-	128.24	805.43	35.51		769.92	161.10	119,607.31
DELINQUENT	72.76		23.54	96.30	6.27		90.03	19.26	%
TOTAL	749.95	-	151.78	901.73	41.78	0	859.95	180.36	0.57%
BLOOMING GROVE ISD									LEVY
CURRENT	5,317.88		929.56	6,247.44			6,247.44	1,152.20	1,419,328.62
DELINQUENT	1,967.13		718.76	2,685.89			2,685.89	537.19	%
TOTAL	7,285.01	-	1,648.32	8,933.33	-	0	8,933.33	1,689.39	0.37%
DAWSON ISD									LEVY
CURRENT	8,783.25		1,603.12	10,386.37			10,386.37	2,017.88	1,292,787.05
DELINQUENT	2,407.45		957.11	3,364.56			3,364.56	672.92	%
TOTAL	11,190.70	-	2,560.23	13,750.93	-	0	13,750.93	2,690.80	0.68%
RICE ISD									LEVY
CURRENT	7,536.39		1,413.92	8,950.31			8,950.31	1,769.02	1,515,810.54
DELINQUENT	5,612.49		2,906.39	8,518.88			8,518.88	1,703.75	%
TOTAL	13,148.88	-	4,320.31	17,469.19	-	0	17,469.19	3,472.77	0.50%

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CORSIKANA ISD									LEVY
CURRENT	55,392.98		10,408.74	65,802.72		0.10	65,802.62	13,130.41	17,383,846.35
DELINQUENT	30,797.32		14,876.95	45,474.27			45,474.27	8,520.56	%
TOTAL	86,190.30	-	25,086.69	111,276.99	-	0.10	111,276.89	21,650.97	0.32%
FROST ISD									\$ 1,011,967.71
CURRENT	5,352.57		1,010.00	6,362.57			6,362.57	1,272.52	%
DELINQUENT	2,375.90		1,161.47	3,537.37			3,537.37	685.72	0.53%
TOTAL	7,728.47		2,171.47	9,899.94			9,899.94	1,958.24	
GRAND TOTAL	287,837.76	-	78,778.33	366,616.09	109.59	0.24	366,506.26	71,257.16	

**COLLECTIONS FOR FROST ISD BEGAN 7/1/2012

TOTAL COLLECTED	<u>426,015.07</u>
ROLLBACK TAXES	<u> </u>
TAX CERTIFICATES	<u>2,360.00</u>
HOT CK FEES	<u>30.00</u>

COUNTY	<u>97.13%</u>	CITY - FROST	<u>92.82%</u>
COLLEGE	<u>97.07%</u>	CITY DAWSON	<u>90.49%</u>
RICE	<u>94.01%</u>	CITY-BL GROVE	<u>96.99%</u>
KERENS	<u>94.24%</u>	NC ESD #1	<u>95.62%</u>
CORSICANA	<u>97.72%</u>	B G ISD	<u>96.08%</u>
BARRY	<u>94.64%</u>	DAWSON ISD	<u>95.60%</u>
EMHOUSE	<u>84.21%</u>	RICE ISD	<u>95.07%</u>
RICHLAND	<u>87.99%</u>	CORSICANA ISD	<u>97.62%</u>
GOODLOW	<u>74.40%</u>	FROST ISD	<u>96.34%</u>

NAVARRO COUNTY, TEXAS
AD VALOREM TAXES COLLECTED DURING THE MONTH OF AUGUST 2012

	TAXES	PENALTY & INTEREST	SUBTOTAL	RENTITION PENALTY CAD %	NET TAXES DUE	MEMO ONLY ATTORNEY FEES
CURRENT TAXES						
COUNTY	60,354.72	11,257.61	71,612.33	0.04	71,612.29	14,112.46
ROAD & BRIDGE	12,367.47	2,307.20	14,674.67	0.01	14,674.66	2,896.71
FLOOD CONTROL	1,026.75	190.99	1,217.74		1,217.74	239.75
TOTAL	73,748.94	13,755.80	87,504.74	0.05	87,504.69	17,248.92
DELINQUENT TAXES						
COUNTY	22,108.37	10,299.63	32,408.00	0.01	32,407.99	5,993.19
STATE	-	-	-	-	-	-
ROAD & BRIDGE	4,381.30	2,031.98	6,413.28		6,413.28	1,192.79
FLOOD CONTROL	372.58	174.85	547.43		547.43	100.53
TOTAL	26,862.25	12,506.46	39,368.71	0.01	39,368.70	7,286.51
TOTAL ALLOCATION						
COUNTY	82,463.09	21,557.24	104,020.33	0.05	104,020.28	20,105.65
STATE		-		-		-
ROAD & BRIDGE	16,748.77	4,339.18	21,087.95	0.01	21,087.94	4,089.50
FLOOD CONTROL	1,399.33	365.84	1,765.17	-	1,765.17	340.28
TOTAL	100,611.19	26,262.26	126,873.45	0.06	126,873.39	24,535.43

COUNTY TAX REPORT
Prepared by Gail Smith
Navarro County Tax Office

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EQUIPMENT LEASE-PURCHASE AGREEMENT

By and between

**Welch State Bank
as Lessor**

and

**Navarro County
as Lessee**

Dated as of September 24, 2012

EQUIPMENT LEASE-PURCHASE AGREEMENT

This EQUIPMENT LEASE-PURCHASE AGREEMENT (the "Agreement"), dated as of September 24, 2012, and entered into between Welch State Bank, P.O. Box 129, Welch, OK, 74369 ("Lessor") and Navarro County, 300 West 3rd Ave, Corsicana, Tx, 75110 ("Lessee"), a political subdivision duly organized and existing under the laws of the State of Texas ("State").

WITNESSETH:

WHEREAS, Lessor desires to lease the Equipment, as hereinafter described in Exhibit "A", to Lessee, and Lessee desires to lease the Equipment from Lessor, subject to the terms and conditions of and for the purposes set forth in this Agreement; and
WHEREAS, Lessee is authorized under the Constitution and laws of the State of Texas to enter into this Agreement for the purposes set forth herein:
NOW, THEREFORE, in considerations of the premises and the mutual covenants and agreements herein set forth, Lessor and Lessee do hereby covenant and agree as follows:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

"State" means the State of Texas.

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

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

- (a) Lessee is a political subdivision of the State duly organized and existing under the Constitution and laws of the State with full power and authority to enter into this Agreement, as specified in Texas Statutes, and the transactions contemplated hereby and to perform all of its obligations hereunder.
- (b) Lessee has duly authorized the execution and delivery of this Agreement by proper action by its governing body at a meeting duly called, regularly convened and attended throughout by the requisite majority of the members thereof or by other appropriate official approval, and all requirements have

been met and procedures have occurred in order to ensure the validity and enforceability of this Agreement.

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

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

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

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

Section 3.02. Continuation of Lease Term. It is the intent of Lessee to continue the Lease Term through the Original Term and all Renewal Terms and to pay the Rental Payments hereunder. Lessee reasonably believes that legally available funds in an amount sufficient to make all Rental Payments during the entire Lease Term can be obtained. Lessee and lessor acknowledge that appropriation for Rental Payments is a governmental function which Lessee cannot contractually commit itself in advance to perform and this Agreement does not constitute such a commitment. However, Lessee reasonably believes that moneys in an amount sufficient to make all Rental Payments can and will lawfully be appropriated and made available to permit Lessee's continued utilization of the Equipment in the performance of its essential functions during the Lease Term. Lessee will use funds appropriated for this Agreement for no other purpose than to pay the Rental Payments and other amounts due hereunder.

Section 3.03. Nonappropriation. Lessee is obligated only to pay such Rental Payments under this Agreement as may lawfully be made from funds budgeted and appropriated for that purpose during Lessee's then current budget year. Should Lessee fail to budget, appropriate or otherwise make available funds to pay Rental Payments following the then current Original Term or Renewal Term, this Agreement shall be deemed terminated at the end of the then current Original Term or Renewal Term. Lessee agrees to deliver notice to Lessor of such termination at least 90 days prior to the end of the then current Original Term or Renewal Term, but failure to give such notice shall not extend the term beyond such Original Term or Renewal Term. If this Agreement is terminated in accordance with this Section, Lessee agrees to peaceably deliver the Equipment, at Lessee's sole expense, to Lessor at the location(s) to be specified by Lessor.

ARTICLE IV. Section 4.01. Rental Payments. Lessee shall promptly pay Rental Payments to Lessor, exclusively from legally available funds, in lawful money of the United States of America, without notice or demand, in such amounts and on or before the applicable Rental Payment Dates set forth on Exhibit B hereto, at the address set forth on the first page hereof or such other address as Lessor or its assigns may from time to time request in writing. Lessee shall pay Lessor interest on any Rental Payment not paid on the date such payment is due at the rate of 12% per annum or the maximum amount permitted by law, whichever is less, from such date. Any Rental Payment not paid within 30 days of the due date thereof shall be subject to a late payment charge equal to two percent (2%) of the amount of the past due Rental Payment, but in no event less than Ten Dollars (\$10.00). A portion of each Rental Payment is paid as and represents payment of, interest, as set forth on Exhibit B hereto.

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

Section 4.03. RENTAL PAYMENTS TO BE UNCONDITIONAL. EXCEPT AS PROVIDED IN SECTION 3.03, THE OBLIGATIONS OF LESSEE TO MAKE RENTAL PAYMENTS AND TO PERFORM AND OBSERVE THE OTHER COVENANTS AND AGREEMENTS CONTAINED HEREIN SHALL BE ABSOLUTE AND UNCONDITIONAL IN ALL EVENTS WITHOUT ABATEMENT, DIMINUTION, DEDUCTION, SET-OFF OR DEFENSE, FOR ANY REASON,

INCLUDING WITHOUT LIMITATION ANY FAILURE OF THE EQUIPMENT TO BE DELIVERED OR INSTALLED, ANY DEFECTS, MALFUNCTIONS, BREAKDOWNS OR INFIRMITIES IN THE EQUIPMENT OR ANY ACCIDENT, CONDEMNATION OR UNFORESEEN CIRCUMSTANCES.

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

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

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

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

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

Section 6.02. Security Interest. To secure the payment of all of Lessee's obligations under this Agreement, Lessee hereby grants to Lessor a security interest constituting a first lien on the Equipment and on all additions, attachments and accessions thereto, substitutions therefor and proceeds therefrom. Lessee agrees to execute such additional documents, in form satisfactory to Lessor, which Lessor deems necessary or in form satisfactory to Lessor, which Lessor deems necessary or appropriate to establish and maintain its security interest and the security interest of any assignee of Lessor in the Equipment.

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

ARTICLE VII. Section 7.01. Liens, Taxes, Other Governmental Charges and Utility Charges.

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

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

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

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

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

ARTICLE IX. Section 9.01. DISCLAIMER OF WARRANTIES. Lessee acknowledges and agrees that the Equipment is of a size, design and capacity selected by Lessee and that Lessor is neither a manufacturer nor a vendor of such Equipment. LESSOR MAKES NO WARRANTY OR REPRESENTATION, EITHER EXPRESS OR IMPLIED, AS TO THE VALUE, DESIGN,

CONDITION, MERCHANTABILITY OR FITNESS FOR PARTICULAR PURPOSE OR USE OF THE EQUIPMENT OR ANY MANUFACTURER'S OR VENDOR'S WARRANTY WITH RESPECT THERETO. IN NO EVENT SHALL LESSOR BE LIABLE FOR ANY INCIDENTAL INDIRECT, SPECIAL OR CONSEQUENTIAL DAMAGE IN CONNECTION WITH OR ARISING OUT OF THIS AGREEMENT OR THE EXISTENCE, FURNISHING, FUNCTIONING OR LESSEE'S USE OF ANY ITEM, PRODUCT OR SERVICE PROVIDED FOR IN THIS AGREEMENT.

Section 9.02. Vendors' Warranties. Lessor hereby irrevocably appoints Lessee its agent and attorney-in-fact during the Lease Term, so long as Lessee shall not be in default hereunder, to assert from time to time whatever claims and rights (including without limitation warranties) related to the Equipment that Lessor may have against the Vendors. Lessee's representation shall be against the Vendors of the Equipment and not against Lessor. Any such matter shall not have any effect whatsoever on the rights and obligations of Lessor with respect to this Agreement, including the right to receive full and timely payments hereunder. Lessee expressly acknowledges that Lessor makes, and has made, no representations or warranties whatsoever as to the existence or the availability of such warranties by the Vendors of the Equipment.

ARTICLE X. Section 10.01. Purchase Option. Lessee shall have the option to purchase Lessor's interest in the Equipment, upon giving written notice to Lessor at least 60 days before the date of purchase except the final Rental Payment Date, at the following times and upon the following terms.

- (a) On the Rental Payment Dates specified in Exhibit B, upon payment in full of the Rental Payments then due hereunder plus the then applicable Purchase Price to Lessor; or
- (b) In the event of substantial damage to or destruction or condemnation of substantially all of the Equipment, on the day Lessee specifies as the purchase date in Lessee's notice to Lessor of its exercise of the purchase option pursuant to Article VIII, upon payment in full of the Rental Payments then due hereunder plus the then applicable Purchase Price to Lessor.

ARTICLE XI. Section 11.01. Assignment by Lessor. Lessor's right, title and interest in, to and under this Agreement and the Equipment may be assigned and reassigned only in whole but not in part without the necessity of obtaining the consent of Lessee. Any assignment shall not be effective until Lessee has received written notice, signed by the assignor, of the name and address of the assignee. Lessee shall retain all such notices as a register of all assignees and shall make all payments to the assignee currently designated in such register. Lessee agrees to execute all documents, including notices of assignment and chattel mortgages or financing statements that may be reasonably requested by Lessor or any assignee to protect its interests in the Equipment and in this Agreement. Lessee shall not have the right to and shall not assert against any assignee or any claim, counterclaim or other right Lessee may have against Lessor.

Section 11.02. Assignment and Subleasing by Lessee. None of Lessee's right, title and interest in, to and under this Agreement and in the Equipment may be assigned or encumbered by Lessee for any reason, except that Lessee may sublease all or part of the Equipment if Lessee obtains the prior written consent of Lessor and an opinion of nationally recognized counsel in the area of tax-exempt municipal obligations satisfactory to Lessor that such subleasing will not adversely affect the exclusion of the interest components of the Rental Payments from gross income for federal income tax purposes. Any such sublease of all or part of the Equipment shall be subject to this Agreement and the rights of Lessor in, to and under this Agreement and the Equipment.

ARTICLE XII. Section 12.01. Events of Default Defined. Subject to the provisions of Section 3.03, any of the following events shall constitute an "Event of Default" under this Agreement:

- (a) Failure by Lessee to pay any Rental Payment or other payment required to be paid hereunder at the time specified herein;
- (b) Failure by Lessee to maintain required insurance coverage or to observe and perform any other covenant, condition or agreement on its part to be observed or performed, other than as referred to in subparagraph (a) above, for a period of 30 days after written notice specifying such failure and requesting that it be remedied is given to Lessee by Lessor, unless Lessor shall agree in writing to an extension of such time prior to its expiration; if the failure stated in the notice cannot be corrected within the applicable period, Lessor will not unreasonably withhold its consent to an extension of such time if corrective action is instituted by Lessee within the applicable period and diligently pursued until the default is corrected;

(c) Any statements, representations or warranty made by Lessee in or pursuant to this Agreement or its execution, delivery or performance shall prove to have been false, incorrect, misleading or breached in any material respect on the date when made;

(d) Any provision of this Agreement shall be at any time for any reason cease to be valid and binding on Lessee, or shall be declared to be null and void, or the validity or enforceability thereof shall be contested by Lessee or any governmental agency or authority if the loss of such provision would materially adversely affect the rights or security of Lessor, or Lessee shall deny that it has any further liability or obligation under this Agreement;

(e) Lessee shall (i) apply for or consent to the appointment of a receiver, trustee, custodian or liquidator of Lessee, or of all or a substantial part of the assets of Lessee, (ii) be unable, fail or admit in writing its inability generally to pay its debts as they become due, (iii) make a general assignment for the benefit of creditors, (iv) have an order for relief entered against it under applicable federal bankruptcy law, or (v) file a voluntary petition in bankruptcy or a petition or an answer seeking reorganization or an arrangement with creditors or taking advantage of any insolvency law or any answer admitting the material allegations of a petition filed against Lessee in any bankruptcy, reorganization or insolvency proceeding; or

(f) An order, judgment or decree shall be entered by any court of competent jurisdiction, approving a petition or appointing a receiver, trustee, custodian or liquidator of Lessee or of all or a substantial part of the assets of Lessee, in each case without its application, approval or consent, and such order, judgment or decree shall continue unstayed and in effect for any period of 30 consecutive days.

Section 12.02. Remedies on Default. Whenever any Event of Default exists, Lessor shall have the right, at its sole option without any further demand or notice, to take one or any combination of the following remedial steps:

(a) With or without terminating this Agreement, may declare all Rental Payments due or to become due during the Original or Renewal Term in effect when the default occurs to be immediately due and payable by Lessee, whereupon such Rental Payments shall be immediately due and payable; and

(b) With or without termination of this Agreement, Lessor may enter the premises where the Equipment is located and disable the Equipment to prevent further use thereof by Lessee. In addition or alternatively, Lessor may take possession of any of all of the Equipment by giving written notice to deliver the Equipment in the manner provided in Section 12.03; in the event Lessee fails to do so within ten (10) days after receipt of such notice, Lessor may enter upon Lessee's premises where the Equipment is kept and take possession of the Equipment and charge Lessee for costs incurred in repossessing the Equipment, including reasonable attorneys' fees. Lessee hereby expressly waives any damages occasioned by such repossession. Notwithstanding the fact that Lessor has taken possession of the Equipment, Lessee shall continue to be responsible for the Rental Payments due with respect thereto during the Fiscal Year then in effect.

(c) If Lessor terminates this Agreement and, in its discretion, takes possession and disposes of the Equipment or any portion thereof, Lessor shall apply the proceeds of any such disposition to pay the following items in the following order: (i) all costs (including, but not limited to, attorney's fees) incurred in securing possession of the Equipment; (ii) all expenses incurred in completing the disposition; (iii) any sales or transfer taxes; (iv) the balance of any Rental Payments owed by Lessee during the Original or Renewal Term then in effect; any disposition proceeds remaining after the requirements of the clauses (i), (ii), (iii), (iv), and (v) have been met shall be paid to Lessee; (v) the applicable Purchase Price of the Equipment and

(d) Lessor may take whatever action at law or in equity may appear necessary or desirable to enforce its rights as the owner of the Equipment, and Lessee shall pay the reasonable attorney's fees and expenses incurred by Lessor in enforcing any remedy hereunder.

Section 12.03. Return of Equipment; Release of Lessee's Interest. Upon termination of this Agreement hereunder prior to the payment of all Rental Payments or the applicable Purchase Price in accordance with Exhibit B: (i) Lessor may enter upon Lessee's premises where the Equipment is kept and disable the Equipment to prevent its further use by Lessee and (ii) Lessee shall promptly, but in any event within ten (10) days after such termination, at its own cost and expense: (a) perform any testing and repairs required to place the Equipment in the condition required by Section 5.04; (b) if deinstallation, disassembly or crating is required, cause the Equipment to be deinstalled, disassembled and crated by an authorized manufacturer's representative or such other service person as is satisfactory to Lessor; and (c)

deliver the Equipment to a location specified by Lessor, freight and insurance prepaid by Lessee. If Lessee refuses to deliver the Equipment in the manner designated, Lessor may repossess the Equipment and charge to Lessee the costs of such repossession.

Section 12.04. No Remedy Exclusive. No remedy herein conferred upon or reserved to Lessor is intended to be exclusive and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Agreement now or hereafter existing at law or in equity. No delay or omission to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver thereof, but any such right or power may be exercised from time to time and as often as may be deemed expedient. In order to entitle Lessor to exercise any remedy reserved to it in this Agreement it shall not be necessary to give any notice other than such notice as may be required in this Agreement.

Section 12.05. Force Majeure. If by any reason of Force Majeure Lessee is unable in whole or in part to carry out its agreement on its part herein contained, other than the obligations on the part of Lessee contained in Article IV and Section 7.02 hereof, Lessee shall not be deemed in default during the continuance of such inability. The term "Force Majeure" as used herein shall mean, without limitation, the following: Acts of God, strikes, lockouts or other industrial disturbances; acts of public enemies, orders or restraints of any kind of government of the United States of America or the State or any of their departments, agencies or officials, or any civil or military authority; insurrections; riots; landslides; earthquakes; fires; storms; droughts; floods; or explosions.

ARTICLE XIII. Section 13.01. Notices. All notices, certificates or other communications hereunder shall be sufficiently given and shall be deemed given when delivered or mailed by registered mail, postage prepaid, to the parties hereto at the addresses immediately after the signatures to this Agreement (or at such other address as either party hereto shall designate in writing to the other for notices to such party) and to any assignee at its address as it appears on the registration books maintained by Lessee.

Section 13.02. Release and Indemnification. To the extent permitted by law, Lessee shall indemnify, protect, hold harmless, save and keep harmless Lessor from and against any and all liability, obligation, loss claim, tax and damage whatsoever, regardless of cause thereof, and all expenses in connection therewith (including without limitation counsel fees and expenses and any federal income tax and interest and penalties connected therewith imposed on interest received) arising out of or as the result of (a) the entering into of this Agreement, (b) the ownership of any item of Equipment, (c) the ordering, acquisition, use, operation, condition, purchase, delivery, rejection, storage, or return of any item of the Equipment, (d) or any accident in connection with the operation, use, condition, possession, storage or return of any item of the Equipment resulting in damage to property or injury to or death to any person, and/or (e) the breach of any covenant herein or any material misrepresentation contained herein. The indemnification arising under this paragraph shall continue in full force and effect notwithstanding the full payment of all obligations under this Agreement or the termination of the Lease Term for any reason.

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

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

Section 13.05. Severability. In the event any provision of this Agreement shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

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

Section 13.07. Execution in Counterparts. This Agreement may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

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

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

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

LESSOR

Welch State Bank

By: _____

Print Name: Sherri J. Mount

Title: Vice President

LESSEE

Navarro County

By: _____

Print Name: H.M. Davenport, Jr.

Title: County Judge

(SEAL)

ATTEST:

By: _____

Print Name: _____

Title: _____



By: Sherry Dowd

Print Name: Sherry Dowd

Title: County Clerk

EXHIBIT A TO EQUIPMENT LEASE-PURCHASE AGREEMENT

Dated September 24, 2012 Between Welch State Bank as Lessor and Navarro County as Lessee.

DESCRIPTION OF EQUIPMENT

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

<u>Qty</u>	<u>Description</u>
1	2012 Cat 120M2 Grader sn#M9C00264 Together with all accessions, additions and attachments thereto

The Equipment is located at: Precinct #1

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

STATEMENT OF ESSENTIAL USE

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

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

In answer to the above, the following is submitted:

- 1 Grade and Blade Roads in Precinct 1 20 years
- 2 Yes, 15 years
- 3 This piece of equipment was chosen from the Texas Association of School Boards "Buy Board".
- 4 Navarro County Road & Bridge Fund - Pct 1

Navarro County

By: 
H.M. Davenport, Jr.

Title: County Judge



**EXHIBIT B TO EQUIPMENT LEASE-PURCHASE AGREEMENT
LEASE NO.**

Dated September 24, 2012 Between Welch State Bank as Lessor and Navarro County as Lessee.

RENTAL PAYMENT SCHEDULE

Rate: 2.61 %

Equipment Cost \$216,994.00 – Trade \$27,000.00 + Doc Fee \$200.00 = \$190,194.00

	Date	Payment	Interest	Principal	Balance
Loan	09/24/2012				190,194.00
2012 Totals		0.00	0.00	0.00	
1	10/24/2012	5,499.01	409.41	5,089.60	185,104.40
2	11/24/2012	5,499.01	411.74	5,087.27	180,017.13
3	12/24/2012	5,499.01	387.51	5,111.50	174,905.63
4	01/24/2013	5,499.01	389.05	5,109.96	169,795.67
5	02/24/2013	5,499.01	377.69	5,121.32	164,674.35
6	03/24/2013	5,499.01	330.85	5,168.16	159,506.19
7	04/24/2013	5,499.01	354.80	5,144.21	154,361.98
8	05/24/2013	5,499.01	332.28	5,166.73	149,195.25
9	06/24/2013	5,499.01	331.86	5,167.15	144,028.10
10	07/24/2013	5,499.01	310.04	5,188.97	138,839.13
11	08/24/2013	5,499.01	308.83	5,190.18	133,648.95
12	09/24/2013	5,499.01	297.28	5,201.73	128,447.22
2013 Totals		65,988.12	4,241.34	61,746.78	
13	10/24/2013	5,499.01	276.50	5,222.51	123,224.71
14	11/24/2013	5,499.01	274.10	5,224.91	117,999.80
15	12/24/2013	5,499.01	254.01	5,245.00	112,754.80
16	01/24/2014	5,499.01	250.81	5,248.20	107,506.60
17	02/24/2014	5,499.01	239.13	5,259.88	102,246.72
18	03/24/2014	5,499.01	205.42	5,293.59	96,953.13
19	04/24/2014	5,499.01	215.66	5,283.35	91,669.78
20	05/24/2014	5,499.01	197.33	5,301.68	86,368.10
21	06/24/2014	5,499.01	192.11	5,306.90	81,061.20
22	07/24/2014	5,499.01	174.49	5,324.52	75,736.68
23	08/24/2014	5,499.01	168.47	5,330.54	70,406.14
24	09/24/2014	5,499.01	156.61	5,342.40	65,063.74
2014 Totals		65,988.12	2,604.64	63,383.48	
25	10/24/2014	5,499.01	140.06	5,358.95	59,704.79
26	11/24/2014	5,499.01	132.80	5,366.21	54,338.58
27	12/24/2014	5,499.01	116.97	5,382.04	48,956.54
28	01/24/2015	5,499.01	108.90	5,390.11	43,566.43
29	02/24/2015	5,499.01	96.91	5,402.10	38,164.33
30	03/24/2015	5,499.01	76.68	5,422.33	32,742.00
31	04/24/2015	5,499.01	72.83	5,426.18	27,315.82

32	05/24/2015	5,499.01	58.80	5,440.21	21,875.61
33	06/24/2015	5,499.01	48.66	5,450.35	16,425.26
34	07/24/2015	5,499.01	35.36	5,463.65	10,961.61
35	08/24/2015	5,499.01	24.38	5,474.63	5,486.98
36	09/24/2015	5,499.01	12.03	5,486.98	0.00
2015 Totals		65,988.12	924.38	65,063.74	

Grand Totals 197,964.36 7,770.36 190,194.00

Final payment may vary due to the actual date payments are received.

Navarro County

By:


H.M. Davenport, Jr.

Title: County Judge

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

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

**Re: Equipment Lease-Purchase Agreement, dated September 24, 2012 (the "Agreement") between
Welch State Bank ("Lessor") and Navarro County ("Lessee")**

Ladies and Gentlemen:

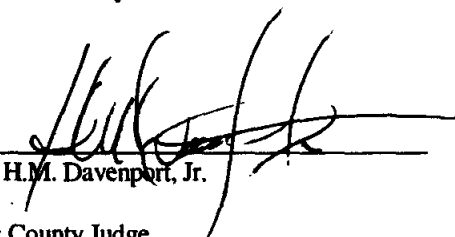
**In accordance with the Agreement, the undersigned Lessee hereby certifies and represents to, and agrees with, Lessor
as follows:**

- (1) All of the Equipment (as defined in the Agreement) has been delivered, installed and accepted on the date hereof.**
- (2) Lessee has conducted such inspection and/or testing of the Equipment as it deems necessary and appropriate and hereby acknowledges that it accepts the Equipment for all purposes.**
- (3) Lessee is currently maintaining the required insurance coverage.**
- (4) No event or condition that constitutes, or with notice or lapse of time, or both, would constitute as Event of Default (as defined in the Agreement) exists at the date hereof.**

Acceptance Date: September 24, 2012

Equipment Description: 2012 Cat 120M2 Grader sn#M9C00264

Navarro County

By: 

 H.M. Davenport, Jr.

Title: County Judge



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

TELEPHONE
903-654-3045

FAX
903-872-6858

EXHIBIT D TO EQUIPMENT LEASE-PURCHASE AGREEMENT
OPINION OF COUNSEL

Welch State Bank
P.O. Box 129
Welch, OK 74369

As counsel for the Navarro County ("Lessee"), I have examined duly executed originals of the Equipment Lease-Purchase Agreement (the "Agreement") dated September 24, 2012, by and between Lessee and Welch State Bank ("Lessor"), the proceedings taken by Lessee to authorize and execute the Agreement together with other related documents, and the Constitution of the State of Texas the ("State") as presently enacted and construed. Based upon said examination and upon such other examination as I have deemed necessary or appropriate, it is my opinion that:

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

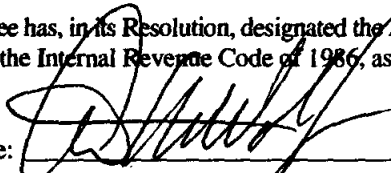
Lessee has complied with applicable public bidding requirements.

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

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

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

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

Signature: 

Printed Name: Andrew M. Wolf

Address: 300 W. 3rd Ave Ste 203

Telephone: 903-654-3045

Date: 9-21-2012

EXHIBIT E TO EQUIPMENT LEASE-PURCHASE AGREEMENT

Dated September 24, 2012, Between Welch State Bank as Lessor and Navarro County as Lessee.

CERTIFICATE OF CLERK OR SECRETARY OF LESSEES

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

October 1, 2012 to September 30, 2013.

Dated: September 24, 2012

By: _____
Kathy B. Hollomon

Title: County Auditor

EXHIBIT F TO EQUIPMENT LEASE-PURCHASE AGREEMENT

Dated September 24, 2012, Between Welch State Bank as Lessor and Navarro County as Lessee.

RESOLUTION OF GOVERNING BODY

At a duly called meeting of the governing body of the Navarro County (the "Lessee") held on September 24, 2012, the following resolution was introduced and adopted:

RESOLVED, whereas the governing body of Lessee has determined that a true and very real need exists for the acquisition of 2012 Cat 120M2 Grader sn#M9C00264 (the "Equipment"), Lessee desires to finance the Equipment by entering into an Equipment Lease-Purchase Agreement with Welch State Bank as Lessor and Navarro County as Lessee (the "Agreement") according to the terms set forth in the Bid Proposal from Welch State Bank dated August 23, 2012, presented at the board meeting; and the Equipment will be used by Lessee for the purpose of: Grading and Maintaining roads within Navarro County Precinct #1.

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

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

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

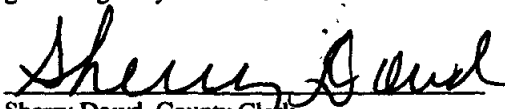
Name and Title of Persons to Execute and Attest Agreement:

H. M. Davenport, Jr., County Judge

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

Lessee hereby certifies that it has not issued or effected the issuance of, and reasonably anticipates that it and its subordinate entities shall not issue or effect the issuance of, more than ten million dollars (\$10,000,000.00) of tax-exempt obligations during the 2012-2013 calendar year and hereby designates the Agreement as a "qualified tax-exempt obligation", as defined by Section 265 (b)(3) of the Internal Revenue Code of 1986, as amended.

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


Sherry Dowd, County Clerk
Secretary/Clerk of Lessee



Attachments: Related Board Minutes

EXHIBIT G TO EQUIPMENT LEASE-PURCHASE AGREEMENT

Dated September 24, 2012 Between Welch State Bank as Lessor and Navarro County as Lessee.

INSURANCE REQUIREMENTS

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

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

Equipment Description: 2012 Cat 120M2 Grader sn#M9C00249

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

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

TAC
1210 San Antonio,
Austin, Tx 78701

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

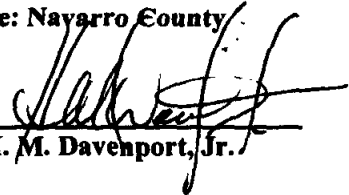
EXHIBIT H TO EQUIPMENT LEASE-PURCHASE AGREEMENT

Dated September 24, 2012 Between Welch State Bank as Lessor and Navarro County as Lessee.

CERTIFICATE OF BANK ELIGIBILITY

This Certificate of Bank Eligibility is entered into and executed by the Navarro County as Lessee, supplementing and adding to the Equipment Lease-Purchase Agreement (the "Agreement"). Lessee hereby certifies that it has not issued or effected the issuance of, and reasonably anticipates that it and its subordinate entities shall not issue or effect the issuance of, more than ten million dollars (\$10,000,000.00) of tax-exempt obligations during the 2012-2013 calendar year and hereby designates the Agreement as a "qualified tax-exempt obligation", as defined by Section 256 (b)(3) of the Internal Revenue Code of 1986, as amended.

Lessee: ~~Navarro County~~

By: 
 H. M. Davenport, Jr.

Title: County Judge



Form **8038-G**
(Rev. September 2011)
Department of the Treasury
Internal Revenue Service

Information Return for Tax-Exempt Governmental Obligations

► Under Internal Revenue Code section 149(e)
► See separate instructions.

OMB No. 1545-0720

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

Part I Reporting Authority		If Amended Return, check here <input type="checkbox"/>	
1 Issuer's name Navarro County		2 Issuer's employer identification number (EIN) 75-6001092	
3a Name of person (other than issuer) with whom the IRS may communicate about this return (see instructions)		3b Telephone number of other person shown on 3a	
4 Number and street (or P.O. box if mail is not delivered to street address) 300 West 3rd Ave	Room/suite 10	5 Report number (For IRS Use Only) 3	
6 City, town, or post office, state, and ZIP code Corsicana, Tx 75110		7 Date of issue 9-24-12	
8 Name of issue Grader lease purchase, Pct #1		9 CUSIP number	
10a Name and title of officer or other employee of the issuer whom the IRS may call for more information (see instructions) H.M. Davenport, Jr., County Judge		10b Telephone number of officer or other employee shown on 10a 903-654-3025	

Part II Type of Issue (enter the issue price). See the instructions and attach schedule.		
11 Education	11	
12 Health and hospital	12	
13 Transportation	13	
14 Public safety	14	
15 Environment (including sewage bonds)	15	
16 Housing	16	
17 Utilities	17	
18 Other. Describe ► Prct 1 Grader Lease Purchase	18	190,194 00
19 If obligations are TANs or RANs, check only box 19a		<input type="checkbox"/>
If obligations are BANs, check only box 19b		<input type="checkbox"/>
20 If obligations are in the form of a lease or installment sale, check box		<input checked="" type="checkbox"/>

Part III Description of Obligations. Complete for the entire issue for which this form is being filed.					
	(a) Final maturity date	(b) Issue price	(c) Stated redemption price at maturity	(d) Weighted average maturity	(e) Yield
21	9-24-15	\$ 190,194.00	\$ na	3 years	2.61 %

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

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

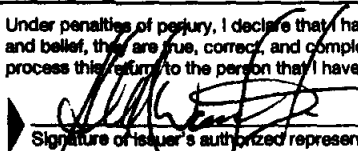
For Paperwork Reduction Act Notice, see separate instructions.

Cat. No. 63773S

Form **8038-G** (Rev. 9-2011)

Part V Miscellaneous

35	Enter the amount of the state volume cap allocated to the issue under section 141(b)(5)	35	
36a	Enter the amount of gross proceeds invested or to be invested in a guaranteed investment contract (GIC) (see instructions)	36a	
b	Enter the final maturity date of the GIC ▶ _____		
c	Enter the name of the GIC provider ▶ _____		
37	Pooled financings: Enter the amount of the proceeds of this issue that are to be used to make loans to other governmental units	37	
38a	If this issue is a loan made from the proceeds of another tax-exempt issue, check box <input type="checkbox"/> and enter the following information:		
b	Enter the date of the master pool obligation ▶ _____		
c	Enter the EIN of the issuer of the master pool obligation ▶ _____		
d	Enter the name of the issuer of the master pool obligation ▶ _____		
39	If the issuer has designated the issue under section 265(b)(3)(B)(i)(III) (small issuer exception), check box		<input checked="" type="checkbox"/>
40	If the issuer has elected to pay a penalty in lieu of arbitrage rebate, check box		<input type="checkbox"/>
41a	If the issuer has identified a hedge, check here <input type="checkbox"/> and enter the following information:		
b	Name of hedge provider ▶ _____		
c	Type of hedge ▶ _____		
d	Term of hedge ▶ _____		
42	If the issuer has superintegrated the hedge, check box		<input type="checkbox"/>
43	If the issuer has established written procedures to ensure that all nonqualified bonds of this issue are remediated according to the requirements under the Code and Regulations (see instructions), check box		<input type="checkbox"/>
44	If the issuer has established written procedures to monitor the requirements of section 148, check box		<input type="checkbox"/>
45a	If some portion of the proceeds was used to reimburse expenditures, check here <input type="checkbox"/> and enter the amount of reimbursement ▶ _____		
b	Enter the date the official intent was adopted ▶ _____		

Signature and Consent	Under penalties of perjury, I declare that I have examined this return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete. I further declare that I consent to the IRS's disclosure of the issuer's return information, as necessary to process this return to the person that I have authorized above.			
		9-24-12	H.M. Davenport Jr., County Judge	
	Signature of issuer's authorized representative	Date	Type or print name and title	
Paid Preparer Use Only	Print/type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed
	Firm's name ▶	Firm's EIN ▶		PTIN
	Firm's address ▶	Phone no.		

#18

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EQUIPMENT LEASE-PURCHASE AGREEMENT

By and between

**Welch State Bank
as Lessor**

and

**Navarro County
as Lessee**

Dated as of September 24, 2012

EQUIPMENT LEASE-PURCHASE AGREEMENT

This EQUIPMENT LEASE-PURCHASE AGREEMENT (the "Agreement"), dated as of September 24, 2012, and entered into between Welch State Bank, P.O. Box 129, Welch, OK, 74369 ("Lessor") and Navarro County, 300 West 3rd Ave, Corsicana, Tx, 75110 ("Lessee"), a political subdivision duly organized and existing under the laws of the State of Texas ("State").

WITNESSETH:

WHEREAS, Lessor desires to lease the Equipment, as hereinafter described in Exhibit "A", to Lessee, and Lessee desires to lease the Equipment from Lessor, subject to the terms and conditions of and for the purposes set forth in this Agreement; and

WHEREAS, Lessee is authorized under the Constitution and laws of the State of Texas to enter into this Agreement for the purposes set forth herein:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

"State" means the State of Texas.

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

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

- (a) Lessee is a political subdivision of the State duly organized and existing under the Constitution and laws of the State with full power and authority to enter into this Agreement, as specified in Texas Statutes, and the transactions contemplated hereby and to perform all of its obligations hereunder.
- (b) Lessee has duly authorized the execution and delivery of this Agreement by proper action by its governing body at a meeting duly called, regularly convened and attended throughout by the requisite majority of the members thereof or by other appropriate official approval, and all requirements have

been met and procedures have occurred in order to ensure the validity and enforceability of this Agreement.

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

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

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

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

Section 3.02. Continuation of Lease Term. It is the intent of Lessee to continue the Lease Term through the Original Term and all Renewal Terms and to pay the Rental Payments hereunder. Lessee reasonably believes that legally available funds in an amount sufficient to make all Rental Payments during the entire Lease Term can be obtained. Lessee and lessor acknowledge that appropriation for Rental Payments is a governmental function which Lessee cannot contractually commit itself in advance to perform and this Agreement does not constitute such a commitment. However, Lessee reasonably believes that moneys in an amount sufficient to make all Rental Payments can and will lawfully be appropriated and made available to permit Lessee's continued utilization of the Equipment in the performance of its essential functions during the Lease Term. Lessee will use funds appropriated for this Agreement for no other purpose than to pay the Rental Payments and other amounts due hereunder.

Section 3.03. Nonappropriation. Lessee is obligated only to pay such Rental Payments under this Agreement as may lawfully be made from funds budgeted and appropriated for that purpose during Lessee's then current budget year. Should Lessee fail to budget, appropriate or otherwise make available funds to pay Rental Payments following the then current Original Term or Renewal Term, this Agreement shall be deemed terminated at the end of the then current Original Term or Renewal Term. Lessee agrees to deliver notice to Lessor of such termination at least 90 days prior to the end of the then current Original Term or Renewal Term, but failure to give such notice shall not extend the term beyond such Original Term or Renewal Term. If this Agreement is terminated in accordance with this Section, Lessee agrees to peaceably deliver the Equipment, at Lessee's sole expense, to Lessor at the location(s) to be specified by Lessor.

ARTICLE IV. Section 4.01. Rental Payments. Lessee shall promptly pay Rental Payments to Lessor, exclusively from legally available funds, in lawful money of the United States of America, without notice or demand, in such amounts and on or before the applicable Rental Payment Dates set forth on Exhibit B hereto, at the address set forth on the first page hereof or such other address as Lessor or its assigns may from time to time request in writing. Lessee shall pay Lessor interest on any Rental Payment not paid on the date such payment is due at the rate of 12% per annum or the maximum amount permitted by law, whichever is less, from such date. Any Rental Payment not paid within 30 days of the due date thereof shall be subject to a late payment charge equal to two percent (2%) of the amount of the past due Rental Payment, but in no event less than Ten Dollars (\$10.00). A portion of each Rental Payment is paid as and represents payment of, interest, as set forth on Exhibit B hereto.

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

Section 4.03. RENTAL PAYMENTS TO BE UNCONDITIONAL. EXCEPT AS PROVIDED IN SECTION 3.03, THE OBLIGATIONS OF LESSEE TO MAKE RENTAL PAYMENTS AND TO PERFORM AND OBSERVE THE OTHER COVENANTS AND AGREEMENTS CONTAINED HEREIN SHALL BE ABSOLUTE AND UNCONDITIONAL IN ALL EVENTS WITHOUT ABATEMENT, DIMINUTION, DEDUCTION, SET-OFF OR DEFENSE, FOR ANY REASON,

INCLUDING WITHOUT LIMITATION ANY FAILURE OF THE EQUIPMENT TO BE DELIVERED OR INSTALLED, ANY DEFECTS, MALFUNCTIONS, BREAKDOWNS OR INFIRMITIES IN THE EQUIPMENT OR ANY ACCIDENT, CONDEMNATION OR UNFORESEEN CIRCUMSTANCES.

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

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

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

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

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

Section 6.02. Security Interest. To secure the payment of all of Lessee's obligations under this Agreement, Lessee hereby grants to Lessor a security interest constituting a first lien on the Equipment and on all additions, attachments and accessions thereto, substitutions therefor and proceeds therefrom. Lessee agrees to execute such additional documents, in form satisfactory to Lessor, which Lessor deems necessary or in form satisfactory to Lessor, which Lessor deems necessary or appropriate to establish and maintain its security interest and the security interest of any assignee of Lessor in the Equipment.

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

ARTICLE VII. Section 7.01. Liens, Taxes, Other Governmental Charges and Utility Charges.

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

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

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

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

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

ARTICLE IX. Section 9.01. DISCLAIMER OF WARRANTIES. Lessee acknowledges and agrees that the Equipment is of a size, design and capacity selected by Lessee and that Lessor is neither a manufacturer nor a vendor of such Equipment. LESSOR MAKES NO WARRANTY OR REPRESENTATION, EITHER EXPRESS OR IMPLIED, AS TO THE VALUE, DESIGN,

CONDITION, MERCHANTABILITY OR FITNESS FOR PARTICULAR PURPOSE OR USE OF THE EQUIPMENT OR ANY MANUFACTURER'S OR VENDOR'S WARRANTY WITH RESPECT THERETO. IN NO EVENT SHALL LESSOR BE LIABLE FOR ANY INCIDENTAL INDIRECT, SPECIAL OR CONSEQUENTIAL DAMAGE IN CONNECTION WITH OR ARISING OUT OF THIS AGREEMENT OR THE EXISTENCE, FURNISHING, FUNCTIONING OR LESSEE'S USE OF ANY ITEM, PRODUCT OR SERVICE PROVIDED FOR IN THIS AGREEMENT.

Section 9.02. Vendors' Warranties. Lessor hereby irrevocably appoints Lessee its agent and attorney-in-fact during the Lease Term, so long as Lessee shall not be in default hereunder, to assert from time to time whatever claims and rights (including without limitation warranties) related to the Equipment that Lessor may have against the Vendors. Lessee's representation shall be against the Vendors of the Equipment and not against Lessor. Any such matter shall not have any effect whatsoever on the rights and obligations of Lessor with respect to this Agreement, including the right to receive full and timely payments hereunder. Lessee expressly acknowledges that Lessor makes, and has made, no representations or warranties whatsoever as to the existence or the availability of such warranties by the Vendors of the Equipment.

ARTICLE X. Section 10.01. Purchase Option. Lessee shall have the option to purchase Lessor's interest in the Equipment, upon giving written notice to Lessor at least 60 days before the date of purchase except the final Rental Payment Date, at the following times and upon the following terms.

- (a) On the Rental Payment Dates specified in Exhibit B, upon payment in full of the Rental Payments then due hereunder plus the then applicable Purchase Price to Lessor; or
- (b) In the event of substantial damage to or destruction or condemnation of substantially all of the Equipment, on the day Lessee specifies as the purchase date in Lessee's notice to Lessor of its exercise of the purchase option pursuant to Article VIII, upon payment in full of the Rental Payments then due hereunder plus the then applicable Purchase Price to Lessor.

ARTICLE XI. Section 11.01. Assignment by Lessor. Lessor's right, title and interest in, to and under this Agreement and the Equipment may be assigned and reassigned only in whole but not in part without the necessity of obtaining the consent of Lessee. Any assignment shall not be effective until Lessee has received written notice, signed by the assignor, of the name and address of the assignee. Lessee shall retain all such notices as a register of all assignees and shall make all payments to the assignee currently designated in such register. Lessee agrees to execute all documents, including notices of assignment and chattel mortgages or financing statements that may be reasonably requested by Lessor or any assignee to protect its interests in the Equipment and in this Agreement. Lessee shall not have the right to and shall not assert against any assignee or any claim, counterclaim or other right Lessee may have against Lessor.

Section 11.02. Assignment and Subleasing by Lessee. None of Lessee's right, title and interest in, to and under this Agreement and in the Equipment may be assigned or encumbered by Lessee for any reason, except that Lessee may sublease all or part of the Equipment if Lessee obtains the prior written consent of Lessor and an opinion of nationally recognized counsel in the area of tax-exempt municipal obligations satisfactory to Lessor that such subleasing will not adversely affect the exclusion of the interest components of the Rental Payments from gross income for federal income tax purposes. Any such sublease of all or part of the Equipment shall be subject to this Agreement and the rights of Lessor in, to and under this Agreement and the Equipment.

ARTICLE XII. Section 12.01. Events of Default Defined. Subject to the provisions of Section 3.03, any of the following events shall constitute an "Event of Default" under this Agreement:

- (a) Failure by Lessee to pay any Rental Payment or other payment required to be paid hereunder at the time specified herein;
- (b) Failure by Lessee to maintain required insurance coverage or to observe and perform any other covenant, condition or agreement on its part to be observed or performed, other than as referred to in subparagraph (a) above, for a period of 30 days after written notice specifying such failure and requesting that it be remedied is given to Lessee by Lessor, unless Lessor shall agree in writing to an extension of such time prior to its expiration; if the failure stated in the notice cannot be corrected within the applicable period, Lessor will not unreasonably withhold its consent to an extension of such time if corrective action is instituted by Lessee within the applicable period and diligently pursued until the default is corrected;

- (c) Any statements, representations or warranty made by Lessee in or pursuant to this Agreement or its execution, delivery or performance shall prove to have been false, incorrect, misleading or breached in any material respect on the date when made;
- (d) Any provision of this Agreement shall be at any time for any reason cease to be valid and binding on Lessee, or shall be declared to be null and void, or the validity or enforceability thereof shall be contested by Lessee or any governmental agency or authority if the loss of such provision would materially adversely affect the rights or security of Lessor, or Lessee shall deny that it has any further liability or obligation under this Agreement;
- (e) Lessee shall (i) apply for or consent to the appointment of a receiver, trustee, custodian or liquidator of Lessee, or of all or a substantial part of the assets of Lessee, (ii) be unable, fail or admit in writing its inability generally to pay its debts as they become due, (iii) make a general assignment for the benefit of creditors, (iv) have an order for relief entered against it under applicable federal bankruptcy law, or (v) file a voluntary petition in bankruptcy or a petition or an answer seeking reorganization or an arrangement with creditors or taking advantage of any insolvency law or any answer admitting the material allegations of a petition filed against Lessee in any bankruptcy, reorganization or insolvency proceeding; or
- (f) An order, judgment or decree shall be entered by any court of competent jurisdiction, approving a petition or appointing a receiver, trustee, custodian or liquidator of Lessee or of all or a substantial part of the assets of Lessee, in each case without its application, approval or consent, and such order, judgment or decree shall continue unstayed and in effect for any period of 30 consecutive days.

Section 12.02. Remedies on Default. Whenever any Event of Default exists, Lessor shall have the right, at its sole option without any further demand or notice, to take one or any combination of the following remedial steps:

- (a) With or without terminating this Agreement, may declare all Rental Payments due or to become due during the Original or Renewal Term in effect when the default occurs to be immediately due and payable by Lessee, whereupon such Rental Payments shall be immediately due and payable; and
- (b) With or without termination of this Agreement, Lessor may enter the premises where the Equipment is located and disable the Equipment to prevent further use thereof by Lessee. In addition or alternatively, Lessor may take possession of any of all of the Equipment by giving written notice to deliver the Equipment in the manner provided in Section 12.03; in the event Lessee fails to do so within ten (10) days after receipt of such notice, Lessor may enter upon Lessee's premises where the Equipment is kept and take possession of the Equipment and charge Lessee for costs incurred in repossessing the Equipment, including reasonable attorneys' fees. Lessee hereby expressly waives any damages occasioned by such repossession. Notwithstanding the fact that Lessor has taken possession of the Equipment, Lessee shall continue to be responsible for the Rental Payments due with respect thereto during the Fiscal Year then in effect.
- (c) If Lessor terminates this Agreement and, in its discretion, takes possession and disposes of the Equipment or any portion thereof, Lessor shall apply the proceeds of any such disposition to pay the following items in the following order: (i) all costs (including, but not limited to, attorney's fees) incurred in securing possession of the Equipment; (ii) all expenses incurred in completing the disposition; (iii) any sales or transfer taxes; (iv) the balance of any Rental Payments owed by Lessee during the Original or Renewal Term then in effect; any disposition proceeds remaining after the requirements of the clauses (i), (ii), (iii), (iv), and (v) have been met shall be paid to Lessee; (v) the applicable Purchase Price of the Equipment and
- (d) Lessor may take whatever action at law or in equity may appear necessary or desirable to enforce its rights as the owner of the Equipment, and Lessee shall pay the reasonable attorney's fees and expenses incurred by Lessor in enforcing any remedy hereunder.

Section 12.03. Return of Equipment; Release of Lessee's Interest. Upon termination of this Agreement hereunder prior to the payment of all Rental Payments or the applicable Purchase Price in accordance with Exhibit B: (i) Lessor may enter upon Lessee's premises where the Equipment is kept and disable the Equipment to prevent its further use by Lessee and (ii) Lessee shall promptly, but in any event within ten (10) days after such termination, at its own cost and expense: (a) perform any testing and repairs required to place the Equipment in the condition required by Section 5.04; (b) if deinstallation, disassembly or crating is required, cause the Equipment to be deinstalled, disassembled and crated by an authorized manufacturer's representative or such other service person as is satisfactory to Lessor; and (c)

deliver the Equipment to a location specified by Lessor, freight and insurance prepaid by Lessee. If Lessee refuses to deliver the Equipment in the manner designated, Lessor may repossess the Equipment and charge to Lessee the costs of such repossession.

Section 12.04. No Remedy Exclusive. No remedy herein conferred upon or reserved to Lessor is intended to be exclusive and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Agreement now or hereafter existing at law or in equity. No delay or omission to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver thereof, but any such right or power may be exercised from time to time and as often as may be deemed expedient. In order to entitle Lessor to exercise any remedy reserved to it in this Agreement it shall not be necessary to give any notice other than such notice as may be required in this Agreement.

Section 12.05. Force Majeure. If by any reason of Force Majeure Lessee is unable in whole or in part to carry out its agreement on its part herein contained, other than the obligations on the part of Lessee contained in Article IV and Section 7.02 hereof, Lessee shall not be deemed in default during the continuance of such inability. The term "Force Majeure" as used herein shall mean, without limitation, the following: Acts of God, strikes, lockouts or other industrial disturbances; acts of public enemies, orders or restraints of any kind of government of the United States of America or the State or any of their departments, agencies or officials, or any civil or military authority; insurrections; riots; landslides; earthquakes; fires; storms; droughts; floods; or explosions.

ARTICLE XIII Section 13.01. Notices. All notices, certificates or other communications hereunder shall be sufficiently given and shall be deemed given when delivered or mailed by registered mail, postage prepaid, to the parties hereto at the addresses immediately after the signatures to this Agreement (or at such other address as either party hereto shall designate in writing to the other for notices to such party) and to any assignee at its address as it appears on the registration books maintained by Lessee.

Section 13.02. Release and Indemnification. To the extent permitted by law, Lessee shall indemnify, protect, hold harmless, save and keep harmless Lessor from and against any and all liability, obligation, loss claim, tax and damage whatsoever, regardless of cause thereof, and all expenses in connection therewith (including without limitation counsel fees and expenses and any federal income tax and interest and penalties connected therewith imposed on interest received) arising out of or as the result of (a) the entering into of this Agreement, (b) the ownership of any item of Equipment, (c) the ordering, acquisition, use, operation, condition, purchase, delivery, rejection, storage, or return of any item of the Equipment, (d) or any accident in connection with the operation, use, condition, possession, storage or return of any item of the Equipment resulting in damage to property or injury to or death to any person, and/or (e) the breach of any covenant herein or any material misrepresentation contained herein. The indemnification arising under this paragraph shall continue in full force and effect notwithstanding the full payment of all obligations under this Agreement or the termination of the Lease Term for any reason.

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

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

Section 13.05. Severability. In the event any provision of this Agreement shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

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

Section 13.07. Execution in Counterparts. This Agreement may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

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

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

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

LESSOR

LESSEE

Welch State Bank

Navarro County

By: _____

By: *H. M. Davenport, Jr.*

Print Name: Sherri J. Mount

Print Name: H. M. Davenport, Jr.

Title: Vice President

Title: County Judge

(SEAL)



ATTEST:

By: _____

By: *Sherry Dowd*

Print Name: _____

Print Name: Sherry Dowd

Title: _____

Title: County Clerk

EXHIBIT A TO EQUIPMENT LEASE-PURCHASE AGREEMENT

Dated September 24, 2012 Between Welch State Bank as Lessor and Navarro County as Lessee.

DESCRIPTION OF EQUIPMENT

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

<u>Qty</u>	<u>Description</u>
1	2012 Cat 120M2 Grader sn#M9C00249 Together with all accessions, additions and attachments thereto

The Equipment is located at: Precinct #2

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

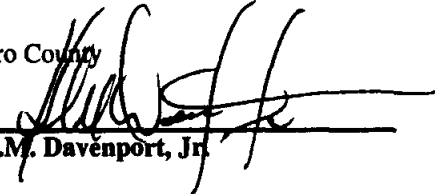
STATEMENT OF ESSENTIAL USE

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

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

In answer to the above, the following is submitted:

- 1 Grade and Blade Roads in Precinct 2 20 years
- 2 Yes, 4 years
- 3 This piece of equipment was chosen from the Texas Association of School Boards "Buy Board".
- 4 Navarro County Road & Bridge Fund - Pct 2

Navarro County
 By: 
 H.M. Davenport, Jr.
 Title: County Judge





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

TELEPHONE
903-654-3045

FAX
903-872-6858

EXHIBIT D TO EQUIPMENT LEASE-PURCHASE AGREEMENT
OPINION OF COUNSEL

Welch State Bank
P.O. Box 129
Welch, OK 74369

As counsel for the Navarro County ("Lessee"), I have examined duly executed originals of the Equipment Lease-Purchase Agreement (the "Agreement") dated September 24, 2012, by and between Lessee and Welch State Bank ("Lessor"), the proceedings taken by Lessee to authorize and execute the Agreement together with other related documents, and the Constitution of the State of Texas the ("State") as presently enacted and construed. Based upon said examination and upon such other examination as I have deemed necessary or appropriate, it is my opinion that:

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

Lessee has complied with applicable public bidding requirements.

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

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

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

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

Signature: 

Printed Name: Andrew M Wolf

Address: 300 W. 3rd Ave Ste 203

Telephone: 903-654-3045

Date: 9-21-2012

WELCH STATE BANK

P.O. Box 129
396 S. Commercial
Welch, Ok 74369
PH. 918-788-3373
FAX 918-788-3364

827



Member FDIC

DATE: July 31, 2012
TO: Dick Martin, Navarro County
FROM: Sherri, Welch State Bank
REF: Lease Purchase
EQUIP: John Deere Grader

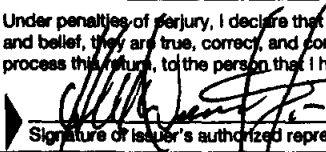
COST	TERM	PAYMENT	RATE
\$212,000.00	48 monthly	\$4,664.14	2.64%
\$212,000.00	60 monthly	\$3,791.33	2.76%

This quote is good for 30 days.
First payment due in 30 days.
Quote is subject to credit approval.
\$200.00 doc fee is included in proposal.

This quote is given for a "qualified tax-exempt obligation" within the meaning of Section 265(b)(3) of the Internal Revenue Code of 1986, if this is not a "qualified tax-exempt obligation" rate(s) will be higher.

Part VI Miscellaneous

35	Enter the amount of the state volume cap allocated to the issue under section 141(b)(5)	35	
36a	Enter the amount of gross proceeds invested or to be invested in a guaranteed investment contract (GIC) (see instructions)	36a	
b	Enter the final maturity date of the GIC ▶ _____		
c	Enter the name of the GIC provider ▶ _____		
37	Pooled financings: Enter the amount of the proceeds of this issue that are to be used to make loans to other governmental units	37	
38a	If this issue is a loan made from the proceeds of another tax-exempt issue, check box <input type="checkbox"/> and enter the following information:		
b	Enter the date of the master pool obligation ▶ _____		
c	Enter the EIN of the issuer of the master pool obligation ▶ _____		
d	Enter the name of the issuer of the master pool obligation ▶ _____		
39	If the issuer has designated the issue under section 265(b)(3)(B)(i)(III) (small issuer exception), check box		<input checked="" type="checkbox"/>
40	If the issuer has elected to pay a penalty in lieu of arbitrage rebate, check box		<input type="checkbox"/>
41a	If the issuer has identified a hedge, check here <input type="checkbox"/> and enter the following information:		
b	Name of hedge provider ▶ _____		
c	Type of hedge ▶ _____		
d	Term of hedge ▶ _____		
42	If the issuer has superintegrated the hedge, check box		<input type="checkbox"/>
43	If the issuer has established written procedures to ensure that all nonqualified bonds of this issue are remediated according to the requirements under the Code and Regulations (see instructions), check box		<input type="checkbox"/>
44	If the issuer has established written procedures to monitor the requirements of section 148, check box		<input type="checkbox"/>
45a	If some portion of the proceeds was used to reimburse expenditures, check here <input type="checkbox"/> and enter the amount of reimbursement		
b	Enter the date the official intent was adopted ▶ _____		

Signature and Consent	Under penalties of perjury, I declare that I have examined this return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete. I further declare that I consent to the IRS's disclosure of the issuer's return information, as necessary to process this return, to the person that I have authorized above.			
	 Signature of issuer's authorized representative	9-24-12 Date	H.M. Davenport Jr., County Judge Type or print name and title	
Paid Preparer Use Only	Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed PTIN
	Firm's name ▶	Firm's EIN ▶		
	Firm's address ▶	Phone no.		

Information Return for Tax-Exempt Governmental Obligations

► Under Internal Revenue Code section 149(e)
► See separate instructions.
Caution: If the issue price is under \$100,000, use Form 8038-GC.

OMB No. 1545-0720

Part I Reporting Authority		If Amended Return, check here <input type="checkbox"/>	
1 Issuer's name Navarro County		2 Issuer's employer identification number (EIN) 75-6001092	
3a Name of person (other than issuer) with whom the IRS may communicate about this return (see instructions)		3b Telephone number of other person shown on 3a	
4 Number and street (or P.O. box if mail is not delivered to street address) 300 West 3rd Ave	Room/suite 10	5 Report number (For IRS Use Only) 3	
6 City, town, or post office, state, and ZIP code Corsicana, Tx 75110		7 Date of issue 9-24-12	
8 Name of issue Grader lease purchase, Pct #2		9 CUSIP number	
10a Name and title of officer or other employee of the issuer whom the IRS may call for more information (see instructions) H.M. Davenport, Jr., County Judge		10b Telephone number of officer or other employee shown on 10a 903-654-3025	

Part II Type of Issue (enter the issue price). See the instructions and attach schedule.

11 Education	11		
12 Health and hospital	12		
13 Transportation	13		
14 Public safety	14		
15 Environment (including sewage bonds)	15		
16 Housing	16		
17 Utilities	17		
18 Other. Describe ► Pct 2 Grader Lease Purchase	18	189,681	69
19 If obligations are TANs or RANs, check only box 19a			<input type="checkbox"/>
If obligations are BANs, check only box 19b			<input type="checkbox"/>
20 If obligations are in the form of a lease or installment sale, check box			<input checked="" type="checkbox"/>

Part III Description of Obligations. Complete for the entire issue for which this form is being filed.

	(a) Final maturity date	(b) Issue price	(c) Stated redemption price at maturity	(d) Weighted average maturity	(e) Yield
21	9-24-17	\$ 189,681.69	\$ na	5 years	2.76 %

Part IV Uses of Proceeds of Bond Issue (including underwriters' discount)

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

Part V Description of Refunded Bonds. Complete this part only for refunding bonds.

31 Enter the remaining weighted average maturity of the bonds to be currently refunded years

32 Enter the remaining weighted average maturity of the bonds to be advance refunded years

33 Enter the last date on which the refunded bonds will be called (MM/DD/YYYY)

34 Enter the date(s) the refunded bonds were issued ► (MM/DD/YYYY)

EXHIBIT G TO EQUIPMENT LEASE-PURCHASE AGREEMENT

Dated September 24, 2012 Between Welch State Bank as Lessor and Navarro County as Lessee.

INSURANCE REQUIREMENTS

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

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

Equipment Description: 2012 Caterpillar 120M2 grader sn#M9C00264

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

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

TAC
1210 San Antonio
Austin, Tx

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

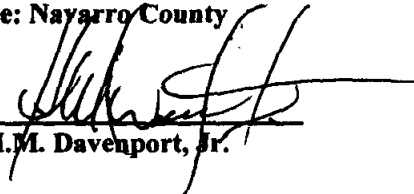
EXHIBIT H TO EQUIPMENT LEASE-PURCHASE AGREEMENT

Dated September 24, 2012 Between Welch State Bank as Lessor and Navarro County as Lessee.

CERTIFICATE OF BANK ELIGIBILITY

This Certificate of Bank Eligibility is entered into and executed by the Navarro County as Lessee, supplementing and adding to the Equipment Lease-Purchase Agreement (the "Agreement"). Lessee hereby certifies that it has not issued or effected the issuance of, and reasonably anticipates that it and its subordinate entities shall not issue or effect the issuance of, more than ten million dollars (\$10,000,000.00) of tax-exempt obligations during the 2012-2013 calendar year and hereby designates the Agreement as a "qualified tax-exempt obligation", as defined by Section 256 (b)(3) of the Internal Revenue Code of 1986, as amended.

Lessee: Navarro County

By: 
 H.M. Davenport, Jr.

Title: County Judge

EXHIBIT F TO EQUIPMENT LEASE-PURCHASE AGREEMENT**Dated September 24, 2012, Between Welch State Bank as Lessor and Navarro County as Lessee.****RESOLUTION OF GOVERNING BODY**

At a duly called meeting of the governing body of the Navarro County (the "Lessee") held on September 24, 2012, the following resolution was introduced and adopted:

RESOLVED, whereas the governing body of Lessee has determined that a true and very real need exists for the acquisition of 2012 Cat 120M2 Grader sn#M9C00249 (the "Equipment"), Lessee desires to finance the Equipment by entering into an Equipment Lease-Purchase Agreement with Welch State Bank as Lessor and Navarro County as Lessee (the "Agreement") according to the terms set forth in the Bid Proposal from Welch State Bank dated August 23, 2012, presented at the board meeting; and the Equipment will be used by Lessee for the purpose of: Grading and Maintaining roads within Navarro County Precinct #2.

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

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

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


Name and Title of Persons to Execute and Attest Agreement:

H. M. Davenport, Jr., County Judge

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

Lessee hereby certifies that it has not issued or effected the issuance of, and reasonably anticipates that it and its subordinate entities shall not issue or effect the issuance of, more than ten million dollars (\$10,000,000.00) of tax-exempt obligations during the 2012-2013 calendar year and hereby designates the Agreement as a "qualified tax-exempt obligation", as defined by Section 265 (b)(3) of the Internal Revenue Code of 1986, as amended.

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


Sherry Dowd, County Clerk
Secretary/Clerk of Lessee

Attachments: Related Board Minutes



EXHIBIT E TO EQUIPMENT LEASE-PURCHASE AGREEMENT

Dated September 24, 2012, Between Welch State Bank as Lessor and Navarro County as Lessee.

CERTIFICATE OF CLERK OR SECRETARY OF LESSEES

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

October 1, 2012 to September 30, 2013.

Dated: September 24, 2012

By: _____
Kathy B. Hollomon

Title: County Auditor



NAVARRO COUNTY COMMISSIONERS' COURT

Kit Herrington - Precinct 1

Dick Martin - Precinct 2

David "Butch" Warren - Precinct 3

James Olsen - Precinct 4

300 West Third Avenue, Suite 14

Corsicana, TX. 75110-4672

Julie Ferguson

Administrative Coordinator

Phone (903) 654 - 3030

Fax (903) 874-6053

RESOLUTION

The State of Texas
County of Navarro

WHEREAS, the federal off-system bridge program is administered by the Texas Department of Transportation (the State) to replace or rehabilitate structurally deficient and functionally obsolete (collectively referred to as deficient) bridges located on public roads and streets off the designated state highway system; and

WHEREAS, Navarro County, hereinafter referred to as the Local Government owns a bridge located at RUSH CREEK, on NW CR 2310, National Bridge Inventory (NBI) Structure Number 181750AA0175001, Local Designation Number AA175-001; and

WHEREAS, a project to remedy the bridge is included in the currently approved program of projects as authorized by Texas Transportation Commission Minute Order Number 112696 dated May 2011. Control-Section-Job (CSJ) Number 0918-18-126; and

WHEREAS, the usual fund participation ratio for projects on such program is 80 percent federal, 10 percent state and 10 percent Local Government; and

WHEREAS, Texas Administrative Code, Title 43, Section 15.55(d) (43 TAC Section 15.55(d)) provides that under specified conditions the 10 percent Local Government match fund participation requirement may be waived with agreement by the Local Government to perform, or cause to be performed, an equivalent dollar amount of structural improvement work on other deficient bridges or deficient mainlane cross-drainage structures within its jurisdiction, such a project of structural improvement work being referred to as an "equivalent-match project"; and

WHEREAS, under the provisions of Texas Transportation Code Section 222.053 certain counties qualify as Economically Disadvantaged Counties (EDC) in comparison to other counties in the state as below average per capita property value, and below average per capita income, and above average unemployment, for certain years. If applicable, in consideration of such EDC status that may be applicable for the Project, the required local match fund participation has been adjusted to 3.4 percent.

WHEREAS, the estimated local match fund participation requirement on the approved federal off-system bridge project is \$15,334 (dollars), hereinafter referred to as the "participation-waived" project, such participation requirement the Local Government proposes be waived and in return perform or cause to be performed equivalent-match project structural improvement work.

THEREFORE, BE IT RESOLVED that the Local Government perform, or cause to be performed, the following equivalent-match project(s) in return for waiver of the local match fund participation requirement on the approved federal off-system bridge program (participation-waived) project not yet awarded:

LOCATION (and NBI structure identification number, if applicable)	ON SCHOOL BUS ROUTE?	DESCRIPTION OF STRUCTURAL IMPROVEMENT WORK	ESTIMATED COST
CRNW 4300 1.3 MI. N OF FM 744 TRIB. OF HACKBERRY CRK. NBI# (N/A)	Yes	Replace existing wooden bridge with new comparable structure.	\$32,000

BE IT FURTHER RESOLVED that in receiving this waiver the Local Government acknowledges its obligation to conform with all conditions of 43 TAC Section 15.55(d); such conditions that include but are not restricted to the following:

1. The Local Government must be currently in compliance with load posting and closure regulations as defined in National Bridge Inspection Standards under US Code of Federal Regulations, Title 23, Section 650.303.
2. The equivalent-match project work increases the load capacity of the existing bridge or other mainlane cross-drainage structure, or upgrades the structure to its original load capacity with a minimum upgrade to safely carry school bus loading if located on a school bus route.
3. In performing, or causing to be performed, the equivalent-match project(s), the Local Government assumes all responsibilities for engineering and construction, and complying with all applicable state and federal environmental regulations and permitting requirements for the structures being improved.
4. The work on the proposed equivalent-match project(s) has not begun and will not begin until the local match fund participation waiver approval process has been completed.
5. The Local Government will be allowed three years after the contract award of the participation-waived project to complete the structural improvement work on the equivalent-match project(s).
6. Should this waiver request be approved, an appropriate written agreement or amendment to a previously executed agreement will be executed between the State and Local Government.

Passed and approved on this the 24th day of Sept by the Navarro County Commissioners Court.

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

By: [Signature]
Kit Herrington
Commissioner, Precinct 1

By: [Signature]
Dick Martin
Commissioner, Precinct 2

By: [Signature]
James Olsen
Commissioner, Precinct 4

By: [Signature]
Butch Warren
Commissioner, Precinct 3



NAVARRO COUNTY COMMISSIONERS' COURT

Kit Herrington - Precinct 1
 Dick Martin - Precinct 2
 David "Butch" Warren - Precinct 3
 James Olsen - Precinct 4
 Phone (903) 654 - 3030

300 West Third Avenue, Suite 14
 Corsicana, TX. 75110-4672

Julie Ferguson
 Administrative Coordinator
 Fax (903) 874-6053

RESOLUTION

The State of Texas
 County of Navarro

WHEREAS, the federal off-system bridge program is administered by the Texas Department of Transportation (the State) to replace or rehabilitate structurally deficient and functionally obsolete (collectively referred to as deficient) bridges located on public roads and streets off the designated state highway system; and

WHEREAS, Navarro County, hereinafter referred to as the Local Government owns a bridge located at CEDAR CREEK, on CR SE 3040, National Bridge Inventory (NBI) Structure Number 181750AA0427001, Local Designation Number AA427-001; and

WHEREAS, a project to remedy the bridge is included in the currently approved program of projects as authorized by Texas Transportation Commission Minute Order Number 112696 dated May 2011. Control-Section-Job (CSJ) Number 0918-18-125; and

WHEREAS, the usual fund participation ratio for projects on such program is 80 percent federal, 10 percent state and 10 percent Local Government; and

WHEREAS, Texas Administrative Code, Title 43, Section 15.55(d) (43 TAC Section 15.55(d)) provides that under specified conditions the 10 percent Local Government match fund participation requirement may be waived with agreement by the Local Government to perform, or cause to be performed, an equivalent dollar amount of structural improvement work on other deficient bridges or deficient mainlane cross-drainage structures within its jurisdiction, such a project of structural improvement work being referred to as an "equivalent-match project"; and

WHEREAS, under the provisions of Texas Transportation Code Section 222.053 certain counties qualify as Economically Disadvantaged Counties (EDC) in comparison to other counties in the state as below average per capita property value, and below average per capita income, and above average unemployment, for certain years. If applicable, in consideration of such EDC status that may be applicable for the Project, the required local match fund participation has been adjusted to 3.4 percent.

WHEREAS, the estimated local match fund participation requirement on the approved federal off-system bridge project is \$14,926 (dollars), hereinafter referred to as the "participation-waived" project, such participation requirement the Local Government proposes be waived and in return perform or cause to be performed equivalent-match project structural improvement work.

THEREFORE, BE IT RESOLVED that the Local Government perform, or cause to be performed, the following equivalent-match project(s) in return for waiver of the local match fund participation requirement on the approved federal off-system bridge program (participation-waived) project not yet awarded:

LOCATION (and NBI structure identification number, if applicable)	ON SCHOOL BUS ROUTE?	DESCRIPTION OF STRUCTURAL IMPROVEMENT WORK	ESTIMATED COST
CRSE 4250 2.2 MI E. OF SH 309 AT ALLIGATOR CREEK NBI# 181750AA0405001	Yes	Replace existing wooden bridge with new comparable structure.	\$40,000

BE IT FURTHER RESOLVED that in receiving this waiver the Local Government acknowledges its obligation to conform with all conditions of 43 TAC Section 15.55(d); such conditions that include but are not restricted to the following:

1. The Local Government must be currently in compliance with load posting and closure regulations as defined in National Bridge Inspection Standards under US Code of Federal Regulations, Title 23, Section 650.303.
2. The equivalent-match project work increases the load capacity of the existing bridge or other mainlane cross-drainage structure, or upgrades the structure to its original load capacity with a minimum upgrade to safely carry school bus loading if located on a school bus route.
3. In performing, or causing to be performed, the equivalent-match project(s), the Local Government assumes all responsibilities for engineering and construction, and complying with all applicable state and federal environmental regulations and permitting requirements for the structures being improved.
4. The work on the proposed equivalent-match project(s) has not begun and will not begin until the local match fund participation waiver approval process has been completed.
5. The Local Government will be allowed three years after the contract award of the participation-waived project to complete the structural improvement work on the equivalent-match project(s).
6. Should this waiver request be approved, an appropriate written agreement or amendment to a previously executed agreement will be executed between the State and Local Government.

Passed and approved on this the 24th day of Sept. by the Navarro County Commissioners Court.

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

By: [Signature]
Kit Herrington
Commissioner, Precinct 1

By: [Signature]
Dick Martin
Commissioner, Precinct 2

By: [Signature]
James Olsen
Commissioner, Precinct 4

By: [Signature]
Butch Warren
Commissioner, Precinct 3

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QUITCLAIM

Notice of confidentiality rights: If you are a natural person, you may remove or strike any or all of the following information from any instrument that transfers an interest in real property before it is filed for record in the public records: your Social Security number or your driver's license number.

Date: September 24, 2012

00008470

RECITALS:

WHEREAS, by Warranty Deed, dated January 24, 1986, recorded in Volume 1074, Page 665, Deed Records of Navarro County, Texas, Samaria Community Development Association purported to convey to Navarro County, Texas, a certain 2-acre tract in the A. C. Love Survey, A-490, Navarro County, Texas, more fully described in said deed ("Property"); and

WHEREAS, it appears that at the time said deed was made and delivered and at all times since, the Property was owned by the Trustees of the Samaria Baptist Church; and

WHEREAS, for the purpose of evidencing of record the correct ownership of the Property, Navarro County, Texas, a political subdivision of said State, executes this instrument.

Grantor: Navarro County, Texas, acting by its duly authorized County Judge
Grantor's Mailing Address: 300 West Third Avenue, Corsicana, Navarro County, Texas 75110

Grantee: Trustees of the Samaria Baptist Church, and their successors in office.
Grantee's Mailing Address: FM 3096, Kerens, Texas 75144

Consideration: TEN AND NO/100s DOLLARS (\$10.00).

Property (including any improvements): All that tract or parcel of land, situated in the A. C. Love Survey, A-490, Navarro County, Texas, and being 2 acres, more fully described in Warranty Deed, dated August 3, 1903, from Robert Colbert to the Trustees of the Samaria Baptist Church, recorded in Volume 340, Page 130, Deed Records of Navarro County, Texas, and in Warranty Deed, dated January 29, 1973, from Lexie Colbert to the Trustees of the Samaria Baptist Church, recorded in Volume 820, Page 566, Deed Records of Navarro County, Texas; reference to said deeds being hereby made for more complete description.

For the Consideration, Grantor quitclaims to Grantee all of Grantor's right, title, and interest in and to the Property, to have and to hold it to Grantee and Grantee's heirs, successors, and assigns forever. Neither Grantor nor Grantor's heirs, successors, or assigns will have, claim, or demand any right or title to the Property or any part of it.

When the context requires, singular nouns and pronouns include the plural.

Navarro County, Texas

By: [Signature]
H. M. Davenport, County Judge

STATE OF TEXAS }
COUNTY OF NAVARRO }

The foregoing instrument was acknowledged before me on the 24 day of September, 2012, by H. M. Davenport, acting in his capacity as County Judge of Navarro County, Texas, as the act of said County.



[Signature]
Notary Public, State of Texas

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NAVARRO COUNTY, TEXAS



**PROPOSAL FOR
PROFESSIONAL AUDIT SERVICES
RFP #2009-A-010**

OCTOBER 26, 2009

**PATILLO, BROWN & HILL, L.L.P.
401 WEST HIGHWAY 6
WACO, TEXAS 76710**

TELEPHONE NUMBER: 254/772-4901

CONTACT: PAULA LOWE, CPA

MASTER



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

October 26, 2009

Navarro County Auditor's Office
Navarro County
300 West Third Avenue, Suite 10
Corsicana, Texas 75110

Pattillo, Brown & Hill, L.L.P. (PB&H) is pleased to have the opportunity to submit the accompanying proposal to provide professional audit services to Navarro County, Texas. As detailed in our proposal, we feel that there are few firms as qualified as PB&H to serve the County.

We believe that our firm possesses certain unique characteristics that are well-matched to the County's needs. We are a regional accounting firm that has been in existence since 1923. Our primary business is serving local governments in Texas and New Mexico. In addition to our experience with counties, we have extensive experience auditing other forms of local governments such as cities, school districts, regional planning commissions, workforce development boards, and special districts. We believe that these attributes, combined with the other factors outlined in this proposal, make PB&H uniquely qualified to serve the County.

Our proposed service team for the County consists of seasoned professionals who work exclusively on local government engagements. Every member of our proposed team not only has significant local government experience, but has experience auditing counties. This level of experience and expertise, not only in the management but throughout the service team, will ensure high quality performance for the County.

Outlined in this proposal are key factors that distinguish PB&H from other providers of government services. Among these are the experience level of our service team with audits of counties, our firm's commitment to providing services to the public sector, our engagement approach, and rates that are competitive and fair.

We feel that we offer the County a "best value" solution to performing these services. We bring the high level of experience and expertise as larger, national accounting firms, but with the value inherent in local firms.

Our work will be scheduled to facilitate the needs and convenience of the County. We will adhere to all deadlines of the County, as well as requirements of the GFOA. Schedules will be coordinated with the County Auditor in order to fit their schedules and demands.

As engagement partner, I am an authorized representative of the Firm and my signature binds PB&H to the terms and conditions specified in this proposal. I can be reached by phone at (254) 772-4901, by email at plowe@pbhcpa.com, or by mail at 401 West Highway 6, Waco, Texas 76710.

I am excited about the opportunity to serve the County. Please feel free to contact me should you have any questions regarding this proposal. This proposal is a firm and irrevocable offer for 90 days.

Yours truly,

PATTILLO, BROWN & HILL, L.L.P.

A handwritten signature in cursive script that reads "Paula Lowe".

Paula Lowe, CPA

PL/dw

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ATTACHMENTS

Cost Estimate Sheet

Vendor References

Bid Proposal Affidavit





EXECUTIVE SUMMARY

Pattillo, Brown & Hill, L.L.P. is a regional accounting firm that has been in continuous existence since 1923. Our primary business is serving local governments in Texas and New Mexico.

- **EXPERIENCE WITH LOCAL GOVERNMENTS**

We have extensive experience with local governments, presently serving over 100 governmental entities. We believe that our proposed service team has experience auditing counties in the State of Texas that few other firms can offer. We understand counties with a depth of knowledge that can only be gained through years of experience in performing these audits. This engagement team is able to draw on past experiences and challenges with dozens of other counties in the State of Texas. The results are an efficient and effective audit with a minimum disruption to the County's staff.

- **COMMITMENT TO PERFORMING QUALITY GOVERNMENTAL AUDITS**

Governmental audits continue to be the fastest growing segment of our client base. We are committed to achieve the highest standards in performing quality governmental audits. As evidence of this commitment, our proposed service team includes members of the following organizations:

- AICPA's Governmental Audit Quality Center
- Government Finance Officers Association (national)
- Government Finance Officers Association of Texas
- Special Review Committee of the GFOA
- Texas Association of Regional Councils
- Texas Association of Counties
- Texas Association of School Business Officials

Many of our clients have elected to pursue the GFOA's Certificate of Achievement for Excellence in Financial Reporting on a regular basis. In all instances where we have been associated with this pursuit, our client has been awarded the certificate.



• **APPROPRIATE SIZE**

PB&H was founded in Waco in 1923 and has been in continuous existence since that time. We are a regional accounting firm with four offices located in Texas and one in Albuquerque, New Mexico. If we are awarded the contract, our Waco office will manage and execute the engagement. This office includes 10 partners, 10 managers, 50 professional staff, and 7 administrative staff. Our government audit department in this office includes 4 partners, 18 professional staff, and 3 administrative staff. These professionals work almost exclusively on governmental engagements. The only other engagements these professionals work on are not-for-profit engagements that are subject to single audits. This approach has enabled our staff to focus on government auditing and accounting services and develop a level of expertise that could not otherwise be achieved.

Our unyielding commitment to exceptional client service has resulted in the growth of our client base, positioning PB&H between the very large national accounting firms and smaller, local firms. We are large enough to have the resources to ensure high quality services will be provided according to our clients' timelines, but small enough to provide the personalized service that our clients deserve. We believe that we offer our clients a unique blend of technical expertise and responsiveness that is sometimes unavailable from larger national firms who may be focused on more sizable engagements. The County will be a significant and valued client at PB&H.

• **EXPERIENCE AUDITING GOVERNMENT ENTITIES**

A representative sample of government entities we serve or have served follows:

Counties	Bastrop	Gillespie	Kaufman	Rockwall
	Bosque	Grayson	Leon	Sabine
	Bowie	Gregg	Limestone	Tom Green
	Cameron	Grimes	Medina	Tyler
	Collin	Harrison	McLennan	Upshur
	Denton	Henderson	Montgomery	Van Zandt
	Ellis	Hill	Nacogdoches	Walker
	Falls	Hood	Orange	Williamson
	Freestone	Jasper	Robertson	Wood
City Governments	Beaumont	DeSoto	Grapevine	Pearland
	Bedford	Duncanville	Keller	Rowlett
	Cedar Park	Flower Mound	La Porte	San Marcos
	Corsicana	Fredericksburg	New Braunfels	Sherman
	Del Rio	Friendswood	Pflugerville	Waco



Councils of Government

Alamo Area Council of Governments
 Ark-Tex Council of Governments
 Brazos Valley Council of Governments
 Central Texas Council of Governments
 Concho Valley Council of Governments
 Deep East Texas Council of Governments
 East Texas Council of Governments
 Heart of Texas Council of Governments
 Permian Basin Regional Planning Commission
 Rio Grande Council of Governments
 South East Texas Regional Planning Commission
 South Plains Association of Governments
 South Texas Development Council
 Texoma Council of Governments

**Workforce Development
Boards**

Central Texas Workforce Development Board
 Tarrant County Workforce Development Board
 Heart of Texas Workforce Development Board

Colleges

University of Mary Hardin-Baylor

- **EXPERIENCE WITH SINGLE AUDITS**

With recent events such as the issuance of the PCIE's Report on National Single Audit Sampling Project and the American Recovery and Reinvestment Act of 2009, recipients of federal and state awards will be scrutinized more closely than ever. In this environment of increased oversight, it is more important than ever to have a qualified auditor with experience in performing single audits, preferably having significant experience with the programs from which you receive your funding.

Most of the cities, counties, school districts, and special districts that we provide audit services for are subject to the requirements of OMB Circular A-133 and/or the State of Texas Single Audit Circular each year. PB&H conducts over 40 single audits each year. As such, we are routinely subjected to federal and state desk reviews and quality control reviews. PB&H has successfully complied with all reviews in the last three years. There has been no disciplinary action taken or pending against the firm that would adversely affect our ability to serve the County.





• **EXPERIENCE WITH GFOA'S CERTIFICATE OF ACHIEVEMENT**

As indicated below, many of our clients have elected to pursue the GFOA's Certificate of Achievement for Excellence in Financial Reporting. In all instances where we have been associated with this pursuit, our client was awarded the certificate. Our governmental audit staff includes four members of the Special Review Committee of the GFOA. The following is a sample of our clients that have received this award:

- Abilene Regional MHMR Center
- Brazos Valley Council of Governments
- City of Cedar Park
- City of Colleyville
- Collin County
- City of Deer Park
- Denton County
- City of Duncanville
- City of Eagle Pass
- East Texas Council of Governments
- Ellis County
- Town of Flower Mound
- City of Friendswood
- City of Grapevine
- Grayson County
- Henderson County
- City of Highland Village
- Hood County
- City of Kennedale
- City of La Porte
- McLennan County
- Nacogdoches County
- City of Pflugerville
- City of Rosenberg
- City of San Marcos
- City of Sherman
- South Plains Association of Governments
- City of Stephenville
- City of Waco
- City of West University Place
- Williamson County

- **COMMITMENT TO AVAILABILITY OF PARTNERS**

Because our client base per partner is much smaller than that of national accounting firms, our partners are much more actively involved with the performance of engagement procedures. Benefits to the County include having more experienced professionals performing the work and greater continuity from year to year. We believe our Firm's foundation is our partner relationships with our clients.

We believe it is essential to make our partners available to our clients at all times during the year. We have found that handling issues throughout the year; instead of only at audit time, makes for a cleaner audit and gives our clients peace of mind to know that the problem or situation has been resolved. Our firm handles meetings, phone calls, in-house training and other requests from our clients at all times during the year. Our fee proposal is inclusive of all phone calls and conversations during the year. All that we ask is that some advance knowledge of large requests be given in order to accommodate your needs.

- **RESULTS OF DESK REVIEWS AND EXTERNAL QUALITY CONTROL REVIEWS**

PB&H has successfully complied with all state and federal desk reviews and quality control reviews in the last three years. There has been no disciplinary action taken or pending against the Firm in the last three years that will adversely affect our ability to serve the County.

- **SCOPE OF THE ENGAGEMENT**

This audit engagement will include an examination of all grants, programs and general operations of the County in accordance with Generally Accepted Government Audit Standards, the provisions of the federal Single Audit Act of 1984 (as amended in 1996), OMB Circular A-133, the State of Texas Single Audit Circular and the Uniform Grant Management Standards of Texas. The audit period is for fiscal years September 30, 2009 through 2011, and an option for each of the two subsequent fiscal years.

- **PHILOSOPHY**

We believe that a long-term professional relationship must be mutually beneficial to be of lasting value to either party. In the end, regardless of the amount of the fee, you are paying too much if you are not satisfied with the value or quality of service you received or the individuals who provide that service. Our goal in serving the County will be to deliver timely, responsive service that meets your needs, exceeds your expectations, and produces value that exceeds our fees. We have achieved that goal in serving numerous clients, and we fully expect to achieve it in serving you.



- **AUDIT COORDINATION**

Our approach will be to coordinate the audit plan with County staff as soon as possible. Work will be distributed among the audit team based on experience levels with particular areas. The timing of procedures will be coordinated with County personnel during introductory meetings. Our approach will focus on addressing accounting and auditing issues early to provide a smooth audit at year-end. We will also reassess our audit plan to ensure issues have been timely addressed, staffing is appropriate, and fieldwork is performed in a high quality manner. We will begin our audit with an initial planning meeting to discuss issues, scheduling, expectations and other relevant issues. We will then formalize a plan that corresponds to the County's expectations and that appropriately addresses areas of audit risk. Communication regarding audit progress will be incorporated in this plan, which will be provided to the County along with a list of items required to perform the audit.

- **DOCUMENTING OUR UNDERSTANDING OF THE COUNCIL'S CONTROL STRUCTURE**

Our audit plan will be based on the risk assessment performed and impacted key processes identified. This audit plan would cover the 2009 audit and would be revised in subsequent years based on changes to the County. For each key process included in the audit plan, we will perform the following audit work:

- Understand the accounting process in depth, including significant process controls in place to mitigate risk.
- Test significant control points to determine if controls are operating as designed.
- Compare processes and controls to "best practices" to determine their effectiveness.
- Report to management on the effectiveness of processes.
- Determine whether any residual audit risk remains and whether substantive audit tests are required.

Substantive audit testing will be performed in areas where the effectiveness of process controls does not reduce risk to a relatively low level or where substantive testing is more efficient.



• **APPROACH TO MANAGEMENT LETTER COMMENTS**

In preparing management comments and recommendations, we utilize a "bottom-up" review approach to avoid any surprises. This approach allows any draft comments or recommendations to be initially reviewed at the level within the department responsible for the activity and only subsequently discussed at higher levels. Any comments will be constructive. Our findings will contain a statement of condition describing the situation and the problem that needs attention, what should be corrected, and why. We do not dwell on matters of insignificance. Rather, we design our letters to be useful and beneficial for improving the County's performance.

• **SAMPLING**

Our audit procedures include considerable use of sampling. Sampling will be performed for our tests of internal controls, compliance and financial statement amounts, utilizing approaches representative of populations tested. The extent to which we apply detailed audit procedures and sampling is based on materiality, evaluation of audit risks and internal controls, and the characteristics of items comprising the account balance or class of transactions. Because our sample sizes are affected by many variables, a statement about sample sizes cannot be made in absolute terms. However, in practice, sample sizes usually begin with 40 for single audit tests of controls in order to plan the audit to obtain a low level of control risk. Sample sizes for other tests are frequently smaller.

• **WORKPAPER MANAGEMENT**

Our workpapers are managed using ProSystem fx Engagement, software that allows us to prepare, review, transfer and manage our work in a paperless environment.





EUBANK & BETTS

A Professional Limited Liability Company

CERTIFIED PUBLIC ACCOUNTANTS

3820 I-55 North, Suite 100 (39211) P.O. Box 16090

Jackson, Mississippi 39236-6090

Telephone 601-987-4300 Fax 601-987-4314

E-mail: firm@eubankbetts.com

Website: www.eubankbetts.com

November 15, 2007

*To the Partners of
Pattillo, Brown & Hill, LLP
and the Center for Public Company Audit Firms Peer Review Committee*

We have reviewed the system of quality control for the accounting and auditing practice of **Pattillo, Brown & Hill, LLP** (the firm) applicable to non-SEC issuers in effect for the year ended May 31, 2007. The firm's accounting and auditing practice applicable to SEC issuers was not reviewed by us since the Public Company Accounting Oversight Board (PCAOB) is responsible for inspecting that portion of the firm's accounting and auditing practice in accordance with PCAOB requirements. A system of quality control encompasses the firm's organizational structure and the policies adopted and procedures established to provide it with reasonable assurance of complying with professional standards. The elements of quality control are described in the Statements on Quality Control Standards issued by the American Institute of Certified Public Accountants (the AICPA). The design of the system, and compliance with it, are the responsibilities of the firm. Our responsibility is to express an opinion on the design of the system, and the firm's compliance with that system based on our review.

Our review was conducted in accordance with standards established by the Peer Review Committee of the Center for Public Company Audit Firms and included procedures to plan and perform the review that are summarized in the attached description of the peer review process. Our review would not necessarily disclose all weaknesses in the system of quality control or all instances of lack of compliance with it since it was based on selective tests. Because there are inherent limitations in the effectiveness of any system of quality control, departures from the system may occur and not be detected. Also, projection of any evaluation of a system of quality control to future periods is subject to the risk that the system of quality control may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

In our opinion, the system of quality control for the accounting and auditing practice applicable to the non-SEC issuers of **Pattillo, Brown & Hill, LLP**, in effect for the year ended May 31, 2007, has been designed to meet the requirements of the quality control standards for an accounting and auditing practice established by the AICPA, and was complied with during the year then ended to provide the firm with reasonable assurance of complying with applicable professional standards.

EUBANK & BETTS, PLLC



DEGREE OF COMPLIANCE

All services quoted in the accompanying proposal for Navarro County, Texas, are in full accord with the specifications that are included in the request for qualifications.



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



PROPOSAL PRICING

Concern over the level of fees for professional services pervades business today. We are sensitive to this concern, and are committed to ensuring that all appropriate actions are taken to maintain fees at reasonable levels through effective planning and coordination of our work with you. The following table outlines the professional fees to perform the services you have requested.

Services	Total All-Inclusive Fee
• Audit of financial statements	
• Issuance of a management letter containing comments on internal control structure and other matters for the consideration of management	\$28,500
• Single audit in accordance with OMB Circular A-133 and the State of Texas Single Audit Circular	
• Telephone conversations throughout the year	
• Audit of Adult Probation Department	\$4,000
• Audit of Juvenile Probation Department	\$3,500

The total current and subsequent years fees are included as an attachment to this proposal.

RATES FOR ADDITIONAL PROFESSIONAL SERVICES

If it should become necessary for the County to request the Auditor to render any additional services to either supplement the services requested in this request for proposals or to perform additional work as a result of the specific recommendations included in any report issued during this engagement, then such additional work shall be performed only if set forth in an addendum to the contract between the County and the Firm shall be performed at the same rates set forth below:

Partner	\$125
Senior	85
Staff	65



**SCHEDULE OF PROFESSIONAL FEES AND EXPENSES
FOR THE AUDIT OF THE 2009 FINANCIAL STATEMENTS**

	<u>Hours</u>	<u>Standard Rates</u>	<u>Total</u>
Partners	80	\$ 125	\$ 10,000
Supervisory staff	160	85	13,600
Staff	<u>160</u>	65	<u>10,400</u>
	400		34,000
Out-of-pocket expenses			<u>2,000</u>
Total for audit of County and Probation financial statements			\$ <u>36,000</u>

Our stated fee includes all out-of-pocket expenses and will not be exceeded unless significant new audit, accounting or regulatory requirements are imposed. Should new audit, accounting or regulatory requirements occur, we would meet with the County prior to any fieldwork and discuss the costs associated with implementing new standards.

ADDITIONAL COSTS

There will be no additional costs billed for under this engagement. If it should become necessary for the County to request us to render any additional services to either supplement the services requested in this request for proposals or to perform additional work as a result of the specific recommendations included in any report issued during this engagement, then such additional work shall be performed only if set forth in an addendum to the contract between the County and PB&H.

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TEXAS ASSOCIATION of COUNTIES RISK MANAGEMENT POOL

Renewal

If you have questions regarding completion of this application, please contact us at: 1-800-456-5974; Facsimile Line: 1-512-478-1426; or E-mail Address: TACPools@county.org
Please return this completed application to: Texas Association of Counties Risk Management Pool, P.O. Box 2131, Austin, Texas 78768

- Name of Political Subdivision: Navarro County
- Address (No. & Street or P.O. Box): 300 W. THIRD AVENUE
City, State, Zip: CORSICANA, TEXAS 75110
Contact Name: KATHY B. HOLLOMON E-mail Address: khollomon@navarrocounty.org
Telephone Number: 903-654-3095 Fax Number: 903-654-3097
- Population of county or applicant's political subdivision: 48,054 Source: TAC
- Coverage Anniversary Date: OCTOBER 2012

5. Total number of applicant's employees:
298 Full time, including elected officials 19 Part-time (all others except full time) 0 Volunteers

~~6. Attach with this completed application THE LATEST AUDITED FINANCIAL STATEMENT~~

7. List in the space below all boards, commissions, authorities, or other units operating under the jurisdiction of the county (or political subdivision) and within an apportionment of its total operating budget. Please indicate which units presently carry their own Public Officials Liability Insurance.
If no such units are in operation, indicate here: NONE

Board / Commission / Authority	Budget	Carries Separate Insurance

(NOTE: Listing under this question does not ensure coverage, such coverage being limited to the terms and definitions of the coverage document.)



TEXAS ASSOCIATION of COUNTIES RISK MANAGEMENT POOL

County/District Clerk Supplement

In order for the County/District Clerks and their deputies to be listed correctly on your coverage documents, please complete the listing below:

COUNTY CLERK(S):

SHERRY DOWD

DEPUTY CLERK(S):

DEBBIE ROBINSON

MARIE BATTLES

BEVERLY LENNON

SANDRA WHITENER

GENA CHANDLER

IDOLINA WHITEHEAD

CHRISTINE BLACKERBY

DISTRICT CLERK(S):

JOSHUA B. TACKETT

DEPUTY CLERK(S):

JILL GROUNDS

SHERRY BRUCE

KATHY COX

CARLA EVANS

KATHY PORTER

CAROLYN KICREASE

HALEY WOELLER

Coverage Information

8. Provide details of any general liability policy which may provide coverage for the applicant:
- a) Carrier: TAC Effective Date: 1/1/12 Limits of Liability: _____
 - b) Does coverage include Discrimination? _____ Yes _____ No
 - c) Does coverage include Personal Injury? _____ Yes _____ No
 - d) Does coverage include Public Officials as additional insureds? _____ Yes _____ No
 - e) If the applicant does not carry General Liability Insurance or Coverage, state the self-insured retention and limit of liability of the excess insurance for the self-insurance program.
If there is no self-insurance program, indicate here: _____

9. The basic coverage excludes punitive damages or exemplary damages. However, this coverage can be added by endorsement for an additional contribution.

NOTE: Your current coverage: does not include endorsement for punitive or exemplary damages. is endorsed to include punitive or exemplary damages for the limit of:

_____ \$50,000., _____ \$100,000., or \$1,000,000.

AND it is: included within the limits of liability, or _____ in addition to the limits of liability.

FOR RENEWAL COVERAGE, do you wish to include endorsement for punitive or exemplary damages? Yes* _____ No

*IF YES: a) Advise limit desired: _____ \$50,000., _____ \$100,000., or \$1,000,000.; and

b) Advise if you desire this limit: _____ included within the limits of liability, or _____ in addition to the limits of liability.

10. The basic coverage excludes the operations of airports and hospitals. However, these operations can be added by endorsement for an additional contribution. **This coverage is only available when the applicant is a county.**

NOTE: Your current coverage _____ does / does not include endorsement for Airport;
_____ does / does not include endorsement for Hospital.

FOR RENEWAL COVERAGE, do you wish to include coverage for:

Airport _____ Yes* No (*If YES, complete and attach the "Airport Supplement" along with the airport's financial statements.)

Hospital _____ Yes* No (*If YES, complete and attach the "Hospital Supplement" along with the hospital's financial statements.)

11. "Errors and Omissions" coverage for the County Clerk and/or District Clerk can be added by endorsement for an additional contribution. Coverage can be provided for County Clerks, per Section 82.003 of the Texas Local Government Code, and for District Clerks, per Section 51.302(c) of the Texas Government Code. The amount of coverage required by these statutes is based upon the maximum amount of fees collected in any year during the term of office preceding the term for which the coverage is to be obtained. **This coverage is only available when the applicant is a county.**

NOTE: Your current coverage: does / _____ does not include endorsement for County Clerk with a limit of \$ 400,000 ;
 does / _____ does not include endorsement for District Clerk with a limit of \$ 150,000 .

FOR RENEWAL COVERAGE, do you wish to include coverage for: County Clerk Yes* _____ No
District Clerk Yes* _____ No

*IF YES, provide the following:

a) If current coverage is not with TAC, a copy of the expiring policy's Declarations Page, or provide:
Carrier name: _____ Expiring Coverage Limit: _____ and Premium _____

b) Completed "County / District Clerk Supplement", listing current Clerks and Deputy Clerks.

	Year	Amount of <u>County Fees</u> Collected	Limit of Liability Required
County Clerk:	<u>2011</u>	<u>\$ 342,759.07</u>	<u>\$ 400,000</u>
District Clerk:	<u>2011</u>	<u>\$ 116,159.18</u>	<u>\$ 150,000</u>

NAVARRO COUNTY, TEXAS
PRINCIPAL OFFICIALS
For the Year Ending September 30, 2012

Commissioners Court

H.M. Davenport, Jr.	County Judge
Kit Herrington	Commissioner, Precinct 1
Richard Martin	Commissioner, Precinct 2
David B. Warren	Commissioner, Precinct 3
James Olsen	Commissioner, Precinct 4

Judicial

James Lagomarsino	Judge, 13th District Court
Amanda Putman*	Judge, County Court At Law
Vicki Gray	Justice of the Peace, Precinct 1
Kirby Hill	Justice of the Peace, Precinct 2
Jackie Freeland	Justice of the Peace, Precinct 3
Connie Hickman	Justice of the Peace, Precinct 4

Law Enforcement

Leslie A. Cotton, Sr.	County Sheriff
Lowell Thompson	District Attorney
Mike Davis	Constable, Precinct 1
David Foreman	Constable, Precinct 2
Vacant	Constable, Precinct 3
Tommy Grant	Constable, Precinct 4
Chris Aldama*	Adult Probation Director
Melanie Hyder*	Juvenile Probation Director

Financial Administration

Kathy Hollomon*	County Auditor
Frank Hull	County Treasurer
Russell Hudson	County Tax Assessor-Collector

Recording Officials

Joshua Tackett*	District Clerk
Sherry Dowd	County Clerk

Department Heads

Phillip Seeley	Planning & Development
Tommy Pryor	Information Systems
Danda Parker	Elections

*Designates appointed officials. All others are elected.

12. Limited coverage for the District Attorney, whose jurisdiction includes the applicant county, can be added by endorsement for an additional contribution. **This limited coverage is only available when the applicant is a county.**

NOTE: Your current coverage: does not include endorsement for the District Attorney.
 is endorsed to include District Attorney.

FOR RENEWAL COVERAGE, do you wish to include endorsement for District Attorney? Yes No

13. Limited coverage for the District Judge, whose jurisdiction includes the applicant county, can be added by endorsement for an additional contribution. **This limited coverage is only available when the applicant is a county.**

NOTE: Your current coverage: does not include endorsement for the District Judge.
 is endorsed to include District Judge.

FOR RENEWAL COVERAGE, do you wish to include endorsement for District Judge? Yes No

14. The basic coverage excludes back wages. However, this coverage can be added by endorsement for an additional annual contribution of \$500 for the following minimum limits: Back Wages: \$25,000 Each Claim
\$25,000 Annual Aggregate

NOTE: Your current coverage: does not include endorsement for back wages.
 is endorsed to include back wages.

FOR RENEWAL COVERAGE, do you wish to include endorsement for back wages? Yes No

15. If the county takes someone's property, restricts his right to pursue a certain business or otherwise frustrates his right to use his property as he sees fit, the county may be sued for a "takings" claim. The basic Public Officials Liability coverage excludes takings claims. However, coverage that provides for a defense, but not indemnity, for takings claims can be added by endorsement for an additional annual contribution of \$500 for the following limits: \$50,000 Each Claim
\$50,000 Aggregate per Coverage Document Period

NOTE: Your current coverage: does not include endorsement for takings.
 is endorsed to include takings.

This limited coverage is only available when applicant is a county.

FOR RENEWAL COVERAGE, do you wish to include endorsement for taking claims? Yes No

16. Have any of the following occurred during the last year: which have not otherwise been reported to the Texas Association of Counties Government Risk Management Pool.

- a) Improper or alleged (publicly or privately) wrongful granting, or refusal to grant, zoning changes or variances, building permits or similar grants? Yes* No
- b) Wrongful or alleged (publicly or privately) wrongful approval or disapproval of building plans, designs or specifications? Yes* No
- c) Wrongful or alleged (publicly or privately) wrongful approval of building construction, plans or bids? Yes* No
- d) Wrongful or alleged (publicly or privately) wrongful treatment regarding employees hiring, pay, benefits, or other compensation, or working conditions, or other terms of employment? Yes* No
- e) Disputes or allegations (publicly or privately) involving integration, segregation, discrimination, or violation of civil rights? Yes* No
- f) Any grand jury investigations, recall proceedings, indictments of public officials, or any proceedings underway or contemplated for removal from office of any public official? Yes* No
- g) Any publicly or privately alleged misapplication, misuse, or misappropriation of public funds? Yes* No

***IF YES**, to any, provide details by attachment of a completed "Individual Claim Data Report" for each, omitting references which are subject to an attorney-client or other privilege, or contain personal details which are not public information.

17. Have you, or any member of your staff, become aware of or have any knowledge whatsoever of any circumstances, occurrences, facts or events which are likely to be a basis of a claim either now or in the future, which have not been indicated under above Question #16?

___ Yes* X No

*IF YES, have all of these been reported to TAC Claims Department?

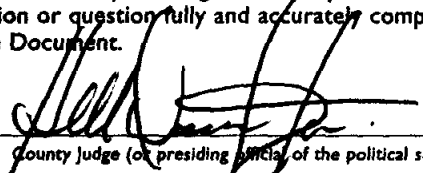
___ Yes ___ No**

**IF NO, please explain below and provide details by attaching a completed "Individual Claim Data Report":



The questions in this application seek information from applicant which may be used by the Pool in processing the application or in assessing coverage needs of political subdivisions. The questions posed, or any wording of the application, should not and may not be relied upon by applicant as having an implication that there exists coverage for any particular claim, or class of claims, whenever made. The provisions of coverage are located in the issued Coverage Document, including Declarations and any endorsements, provided to a covered political subdivision.

I/WE accept notice that any coverage which may be issued will apply on a "CLAIMS MADE BASIS," and that any failure to answer any application portion or question fully and accurately compromises coverage provided by the Pool to the applicant pursuant to the terms of the Coverage Document.

Signature: 

County Judge (or presiding official) of the political subdivision

Title: COUNTY JUDGE

Date: 9/24/2012

SIGNING THIS FORM DOES NOT BIND THE APPLICANT POLITICAL SUBDIVISION OR THE POOL TO COMPLETE THE COVERAGE. Application must be signed and dated by the County Judge (or applicable presiding official) to be considered for quotation.

COVERAGES AVAILABLE THROUGH THE TEXAS ASSOCIATION OF COUNTIES

- Automobile Physical Damage
- Crime
- Property
- Automobile Liability
- General Liability
- Law Enforcement Liability
- Public Officials Liability
- Workers' Compensation
- Unemployment Fund
- Group Health

PLEASE SEND THIS APPLICATION TO:
 TEXAS ASSOCIATION OF COUNTIES RISK MANAGEMENT POOL
 P.O. BOX 2131
 AUSTIN, TEXAS 78768
 TEXAS WATTS: (800) 456-5974
 FAX: (512) 478-1426
 www.county.org



TEXAS ASSOCIATION of COUNTIES RISK MANAGEMENT POOL

WORKERS' COMPENSATION RENEWAL PAYROLL ENTRY WORKSHEET

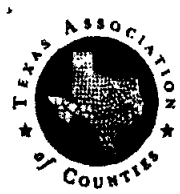
Estimated Payroll for Coverage Effective: January 01, 2013

Member Name: Navarro County

Contract No.: 1750

REGULAR EMPLOYEE CLASSIFICATIONS				
Class Code	Classification	Est. Payroll Previously Reported	Estimated Payroll	No. of Employees
074220	Aircraft Ambulance	0		
074180	Aircraft Oper. (Patrol, Ambulan)	0		
074230	Airport	0		
090160	Amusement Park, Exhibition Center	0		
091820	Athletic Program	0		
083910	Auto Mechanics	0		
090140	Bldg. Maintenance & Janitors	99,378	99,903	3
054030	Carpentry (Noc)	0		
092200	Cemetery Operations	0		
045110	Chemical Analyst/Assayers	0		
088090	Chief Of Commissions & Directors	0		
088100	Clerical	3,157,719	3,295,076	92
056060	Co. & Drain Dist. Commissioners	253,046	253,750	4
080060	Commodity Dist.-Retail Grocery	0		
052130	Concrete Construction	0		
052030	Concrete Construction-Bridges	0		
073800	Drivers	0		
037240	Elect. App. Install.-Copy Repair	0		
088102	Election Personnel & Jurors	0		
075390	Electric Power Co.-Employees Noc	0		
051900	Electrical Wiring W/In Buildings	0		
086010	Engineers, Surveyors	0		
860101	Engineers, Surveyors Appraisal	0		
077040	Firefighters & Drivers	0		
094020	Garbage Collection & Drivers	0		
063190	Gas/Water Main Connection Constr	0		
090600	Golf Course	0		
088280	Homemaker Service	0		
088330	Hospital Professional & Clerical	757,743	759,243	18
090400	Hospital, All Others	0		
090330	Housing Authority & Drivers	0		

Renew



TEXAS ASSOCIATION of COUNTIES RISK MANAGEMENT POOL

WORKERS' COMPENSATION RENEWAL PAYROLL ENTRY WORKSHEET

Estimated Payroll for Coverage Effective: January 01, 2013

Member Name: Navarro County

Contract No.: 1750

REGULAR EMPLOYEE CLASSIFICATIONS				
Class Code	Classification	Est. Payroll Previously Reported	Estimated Payroll	No. of Employees
090320	Housing Authority Mgrs & Emplys	0		
045190	Insect Control	0		
054790	Insulation Work & Drivers	0		
062290	Irrigation/Drainage Construct.	0		
087420	Juv Probation, Collectors, Sales	187,530	195,030	4
062190	Landfill Operation & Drivers, Excavation Noc	0		
075900	Landfill, Garbage Reduction	89,428	89,478	2
077200	Law Enforcement	4,869,818	4,869,976	132
077210	Ambulance	0		
088200	Law Office	305,238	301,638	6
088380	Library/Museum-Prof. & Clerical	0		
075020	Natural Gas Distribution	0		
088290	Nursing Home Employees	0		
051910	Office Technician	0		
090150	Parking Lots & Drivers	0		
091020	Parks & Recreation	0		
082270	Permanent Yard Employees	164,348	166,668	4
088320	Physician Med.Lab. Minor Emer. Clinic	0		
042990	Printing	0		
082640	Recycling Or Shredding Workers & Drivers	0		
090790	Restaurant, Food Preparation	0		
055080	Road Employees-Paving, Repaving	964,075	925,877	31
091010	Schools - All Other Employees	0		
075800	Sewage Disposal Plant Operations	0		
080170	Store Clerks	0		
090610	Swimming Pools	0		
090190	Toll Bridge Employees	0		
075200	Waterworks Operation & Drivers	0		
054790	Weatherization	0		
033650	Welder	0		
088680	Youth & Community Cntr Directors	0		
082920	Warehousing NOC and Driver	0		

Renew



TEXAS ASSOCIATION of COUNTIES RISK MANAGEMENT POOL

WORKERS' COMPENSATION RENEWAL PAYROLL ENTRY WORKSHEET

Estimated Payroll for Coverage Effective: January 01, 2013

Member Name: Navarro County

Contract No.: 1750

Commissioners Court resolution is required to add or delete volunteer coverage.				
VOLUNTEER CLASSIFICATIONS				
Class Code	Classification	Est. Payroll Previously Reported	Estimated Payroll	No. of Employees
088551	Volunteer First Responders *NOTE	156,000	52,000	10
088552	Volunteer All Others	0		

Signature:
 Name: H.M. DAVENPORT, JR.
 Title: COUNTY JUDGE
 Date: _____

For Fund Use Only
Reviewed: _____
Approved: _____

*NOTE: DROPPING VOLUNTEER FIRE DEPARTMENTS COVERAGE



TEXAS ASSOCIATION of COUNTIES RISK MANAGEMENT POOL

MEMBER CONTACT INFORMATION:

Member Name:	NAVARRO COUNTY
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As specified in the Interlocal Agreement, each member hereby designates a Contact Person (Pool Coordinator) to whom we shall send all communication in regards to TAC RMP coverages. This person will be TAC RMP's main contact for daily matters pertaining to your TAC RMP coverages. Other contacts may be assigned by the County Judge / Contract Authority as specified below.

Pool Coordinator: <i>All lines - main contact</i>	Current Coordinator	Changes / Corrections
Name / Title	KATHY B. HOLLOMON, COUNTY AUDITOR	
Address	300 W. THIRD AVE., SUITE 10	
Phone / Fax	CORSICANA, TX 75110 903-654-3094 / 903-654-3097	
Email	KHOLLOMON@NAVARROCOUNTY.ORG	

Claims Coordinator: <i>Send/receive all claims info</i>	Current Contact	Changes / Corrections
Name / Title	JULIE FORGUSON, COURT COORDINATOR	
Address	300 W. THIRD AVE., SUITE 14	
Phone / Fax	CORSICANA, TX 75110 903-654-3030 / 903-874-6053	
Email	JFORGUSON@NAVARROCOUNTY.ORG	

Billing Coordinator: <i>Receives all TAC RMP Invoices</i>	Current Contact	Changes / Corrections
Name / Title	TERRI GILLEN, 1ST ASST AUDITOR	
Address	300 W. THIRD AVE., SUITE 10	
Phone / Fax	CORSICANA, TX 75110 903-875-3306 / 903-654-3097	
Email	TGILLEN@NAVARROCOUNTY.ORG	

Workers' Compensation Coordinator: <i>Sends all payroll info</i>	Current Contact	Changes / Corrections
Name / Title	JANE MCCOLLUM, CHIEF ASST. TREASURER	
Address	300 W. THIRD AVE., SUITE 17	
Phone / Fax	CORSICANA, TX 75110 903/654-3090 / 903-875-3091	
Email	JMCCOLLUM@NAVARROCOUNTY.ORG	

Signature of County Judge / Contracting Authority

Print Name/Title: H.M. DAVENPORT, COUNTY JUDGE

Date: _____

*²⁴ Salvaged Monitors

862

5124561544003308. 17"

8X7S. 17"

8X4S 17"

8X3S. 17"

5124591544003346 17". 8XIS

4106301544003418. 17". 4EYS

1R8L. 17"

ORWU. 17"

2GMU. 17"

06ML. 17"

8X05. 17"

4104951544004217. 17". 14CA

4101611544003917. 17". 14NA

5124581544003320. 17". 37FT

2GUU. 17"

5124581544003318. 17". OAKT

3G8L. 17"

4101991513003300

FW3RW81

GVWJS51

4104991543003306

18VD6

HX0WMB1

4106301543003416

DW3RW81

6XJW571

4104031543000005

5124561543003309

HTWJS51

9W3RW81

4109971543003831

5124561543003307

5124591543003306

HWJW571

5124601543003142

4104991543003470

4104012544103237

2212121543003540

G37R461

4WBRW87

7W3RW81

NO SERVICE TAG OR ASSET TAG

5124561543003343

4104971543003321

4104071543003326

8VWJS51

5124581543003315

2112111543003708

6WJW571

GTWJS51

BZYX451

5124591543003327

5124581543003314

G41WMB1

5124601543003280

5124581543003313

4YFML11

5124591543003186

310WG51

5124601543003325

DELL DIM 8300

DELL OPTIPLEX 170L

DELL DIM 8400

DELL DIM 8300

DELL DIM XPS-T500

DELL DIM 8200

DELL DIM 8200

DELL OPTIPLEX 170L

DELL DIM 8400

DELL OPTIPLEX GX400

DELL DIM 8400

DELL DIM 8400

DELL OPTIPLEX 170L

DELL DIM 8300

DELL DIM 8400

DELL DIM 8400

DELL DIM 8400

DELL DIM 8300

DELL DIM 8400

DELL DIM XPST500

DELL DIM XPST500

DELL DIM 8400

DELL OPTIPLEX 170L

DELL OPTIPLEX 170L

NO NAME ON COMPUTER GENERIC MACHINE

DELL DIM 8400

DELL DIM 8200

DELL DIM 8400

DELL DIM 8400

DELL DIM 8400

DELL DIM 360

DELL DIM 8400

DELL DIM 8400

DELL DIM 8300

DELL DIM 8400

DELL DIM 8400

DELL DIM 9150

DELL DIM XPST500

DELL DIM 8400

DELL OPTIPLEX GX400

DELL OPTIPLEX GX400

DELL DIM 8400

DELL DIM 4600C

3-CISCO WIRELESS-G ROUTERS W/PWR SUPPLYS

6-DSL 10/100MPS ROUTERS W/PWR SUPPLYS

1-IBM MODEM

2-NETOPIA FIREWALLS

2-A/B SWITCHES

TONS OF CABLES

2-LACIE 500GB EXTERNAL HARD DRIVES

13567000674461

WIRELESS KEYBOARDS/POINTING DEVICES

6-DVD/CD DRIVES

1-FLOPPY DRIVE

4104751544101422

4104751544101422

7XXV0A5EB1

7XXV0A5EB2

6 DVD/CD DRIVES

1 FLOPPY DRIVE

IBM WHEELWRITER

IBM MONITOR

IBM MONITOR

3COM RACKMOUNT HUB

3COM RACKMOUNT HUB

Ribbons**Panasonic:**

KX-pl55. 3
KX-P145. 2
KPX-P150. 8
BR106N. 1
BR113N. 4
BM251. 6
KX-P453. 1
KX-PDM5. 1

Okidata:

Microcline 520/521. 8
Microline. 590/591. 12
Microline. 100. 17
RS-232C. 2
Pacemark 3410. 8
Printhead Assembly. 50114561-E. 1

LEXMARK:

11A3540. 6
Part#. 1319308. 6
Part#. 6328809. 3
Part# 1040414. 4

GENICOM:

866

3000. 1

NCR:

499. 8

IBM:

Part#. 1040414. 6

EPSON:

Part#. 7753. 8

PRt#. 8753. 1

NEC:

Part#. 50-045. 6

Sharp:

FO-28ND. 1

4101991513003300
 FW3RW81
 GVWJS51
 4104991543003306
 18VD6
 HX0WMB1
 4106301543003416
 DW3RW81
 6XJW571
 4104031543000005
 5124561543003309
 HTWJS51
 9W3RW81
 4109971543003831
 5124561543003307
 5124591543003306
 HWJW571
 5124601543003142
 4104991543003470
 4104012544103237
 2212121543003540
 G37R461
 4WBRW87
 7W3RW81

NO SERVICE TAG OR ASSET TAG

5124561543003343
 4104971543003321
 4104071543003326
 8VWJS51
 5124581543003315
 2112111543003708
 6WJW571
 GTWJS51
 BZYX451
 5124591543003327
 5124581543003314
 G41WMB1
 5124601543003280
 5124581543003313
 4YFML11
 5124591543003186
 310WG51
 5124601543003325

DELL DIM 8300
 DELL OPTIPLEX 170L
 DELL DIM 8400
 DELL DIM 8300
 DELL DIM XPS-T500
 DELL DIM 8200
 DELL DIM 8200
 DELL OPTIPLEX 170L
 DELL DIM 8400
 DELL OPTIPLEX GX400
 DELL DIM 8400
 DELL DIM 8400
 DELL OPTIPLEX 170L
 DELL DIM 8300
 DELL DIM 8400
 DELL DIM 8400
 DELL DIM 8400
 DELL DIM 8300
 DELL DIM 8400
 DELL DIM XPST500
 DELL DIM XPST500
 DELL DIM 8400
 DELL OPTIPLEX 170L
 DELL OPTIPLEX 170L

NO NAME ON COMPUTER GENERIC MACHINE

DELL DIM 8400
 DELL DIM 8200
 DELL DIM 8400
 DELL DIM 8400
 DELL DIM 8400
 DELL DIM 360
 DELL DIM 8400
 DELL DIM 8400
 DELL DIM 8400
 DELL DIM 8300
 DELL DIM 8400
 DELL DIM 8400
 DELL DIM 9150
 DELL DIM XPST500
 DELL DIM 8400
 DELL OPTIPLEX GX400
 DELL OPTIPLEX GX400
 DELL DIM 8400
 DELL DIM 4600C

2AU0421WSB0

HP PRO 3000

3-CISCO WIRELESS-G ROUTERS W/PWR SUPPLYS

6-DSL 10/100MPS ROUTERS W/PWR SUPPLYS

1-IBM MODEM

2-NETOPIA FIREWALLS

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7XXV0A5EB1

7XXV0A5EB2

6 DVD/CD DRIVES

1 FLOPPY DRIVE

IBM WHEELWRITER

IBM MONITOR

IBM MONITOR

3COM RACKMOUNT HUB

3COM RACKMOUNT HUB

869

**NAVARRO COUNTY, TEXAS
 BID TABULATION
 2013-F-004 - ANNUAL CONTRACT
 FUEL FOR COUNTY VEHICLES**

VENDOR	Winters Oil	Johnson Oil	
UNLEADED			
Grade	87 Octane	87 Octane	
Rack Price	2.8986	2.9250	
Tax	0.2000	0.2000	
Freight	0.0386	0.0294	
Profit	0.0295	0.0350	
Total Cost	3.1667	3.1894	
Primary Distributor	Shell Unbranded	Exxon or FHR	
DIESEL			
Rack Price	3.2085	3.1920	
Tax	0.2000	0.2000	
Freight	0.0440	0.0351	
Profit	0.0295	0.0350	
Total Cost	3.4820	3.4621	
Primary Distributor	Shell Unbranded	Exxon or FHR	
CONTACT NAME	Phil Judson	Tom Johnson	
CONTACT PHONE	903-872-4166	903-872-6621	

Bid awarded to all bidders.

NAVARRO COUNTY, TEXAS
BID TABULATION
2013-A-001 - ANNUAL CONTRACT FOR MISCELLANEOUS AUTO PARTS

VENDOR	RATE	Special Item Rates
O'Reilly Auto Parts	List less 41% or better	
B & G Auto Parts	Best wholesale or Fleet Price	Plugs, batteries & filters @ jobber price

Contract awarded to all bidders.

NAVARRO COUNTY, TEXAS
BID TABULATION
2013-C-002 - ANNUAL CONTRACT
CULVERTS FOR COUNTY PRECINCTS

VENDOR: DIAMETER (Inches)	Gage	Wilson Culverts		
CULVERTS (price per linear foot)				
12	16	6.85		
15	16	8.55		
18	16	10.23		
24	16	13.61		
30	16	17.05		
36	16	20.63		
42	16	23.84		
48	14	39.11		
60	14	48.13		
72	14	58.25		
96	14	76.81		
DELIVERY		5 to 7 Working Days		
DMP BANDS (price each)				
12"		10.28		
15		12.83		
18		15.35		
24		20.42		
30		25.58		
36		30.95		
42		35.76		
48		49.13		
2 PC End Sections 6:1 Slope with Channel and Angle				
12"		100.04		
15		153.76		
18		217.92		
24		334.54		
30		478.12		
36		661.12		
DELIVERY		5 to 7 Working Days		
CONTACT NAME		Terry Huffines		
CONTACT PHONE		800-234-0084		

Contract awarded to all bidders.

NAVARRO COUNTY, TEXAS
Hauling Aggregate
Bid Tabulations

872

Vendor Company Name	# of Trucks	Delivery Time	Delivery Limitations	Min/Max Qty. per Ton/Truck	Pct #1	Pct. #2	Pct. #3 Richland	Pct. #3 Dawson	Pct. #4	Chg per Ton or Ton-Mile	Additional Comments
Wallis Trucking Co.	2	At Customers Request	Mechanical Breakdown	12 Min Del Qty/ 26 Max Del Qty	6.00	6.00	6.00	6.00	6.00	Charge per Ton	If fuel goes over \$ 4.00 per gallon, price will increase.
Wally's Dozer Service	1	ASAP	None	24 Min Del Qty/ 26 Max Del Qty	Lonestar - 6.00 Mexia - 9.00	Lonestar - 7.00 Mexia - 9.50	Lonestar - 6.00 Mexia - 8.00	Lonestar - 7.00 Mexia - 8.50	Lonestar - 7.00 Mexia - 9.00	Charge per Ton	
Horns Crew Trucking	4	ASAP	None	12 Min Del Qty/ 24 Max Del Qty	5.99	5.99	5.99	5.99	5.99	Chare per Ton	Detention pay \$60.00 per hour

Contract awarded to all bidders.

NAVARRO COUNTY, TEXAS
BID NO. 2013-R-006 ANNUAL CONTRACT FOR ROAD AND BASE MATERIALS
BID TABULATION

(Material picked up at plant) VENDOR	LOCATION	HOT OIL SAND	HOT MIX	HOT MIX COLD LAID	CATIONIC EMULSION	FLEX BASE A/1/2	FLEX BASE A/2/2	WASTE	TYPE "C" ROCK	TYPE "D" ROCK	GRADE 3 COVER STONE	PEA GRAVE L	Dirty Rock	3/8 Lightweight Aggr	OTHER (See Notes Below)
Knife River	Waco / Groesbeck		64.00				6.50					6.75			
Apac Texas	Corsicana	62.25	\$69.00	72.00					30.00	30.00					
Ergon Asphalt & Emulsions	Waco				550.00										i.
Mine Service, LTD	Waco						5.50		9.00	9.00	7.75	7.50			
TXI Operations, LP	Streetman										32.00 cyd			26.00 cyd	
King Sand & Gravel	Mexia	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	
Lone Star Aggregate	Richland						8.50			8.50	13.00				iii.
Cleveland Asphalt	Shepherd				2.35 Gal										iv.
Rattler Rock, Inc.	Blum					5.25									v.
Heartland Asphalt	Saginaw				559.30										vi.
Lehigh Hanson	Groesbeck/Ennis						5.75					7.00			vii.
(Material delivered)															
PCT 1															
Knife River	Waco / Groesbeck	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A		N/A	
Apac Texas	Corsicana	69.00	75.75	78.75					36.75	36.75					
Ergon Asphalt & Emulsions	Waco				581.67										i.
Mine Service, LTD	Waco	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A		N/A	
TXI Operations, LP	Streetman										35.84 cyd			29.84 cyd	
King Sand & Gravel	Mexia						20.00		27.85	26.50		18.75	18.50		ii.
Lone Star Aggregate	Richland						13.25			13.25	18.75				iii.
Cleveland Asphalt	Shepherd				2.5436 Gal										iv.
Rattler Rock, Inc.	Blum					N/A									v.
Heartland Asphalt	Saginaw				595.80										vi.
Lehigh Hanson	Groesbeck/Ennis						12.89					15.41			vii.
(Material delivered)															
PCT 2															
Knife River	Waco / Groesbeck	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A			N/A
Apac Texas	Corsicana	69.00	75.75	78.75					36.75	36.75					
Ergon Asphalt & Emulsions	Waco				583.01										i.
Mine Service, LTD	Waco	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A		N/A	
TXI Operations, LP	Streetman										37.02 cyd			31.02 cyd	
King Sand & Gravel	Mexia						17.50		27.85	26.50		20.25	18.25		ii.
Lone Star Aggregate	Richland						14.25			14.25	19.75				iii.
Cleveland Asphalt	Shepherd				2.5436 Gal										iv.
Rattler Rock, Inc.	Blum					N/A									v.
Heartland Asphalt	Saginaw				598.52										vi.
Lehigh Hanson	Groesbeck/Ennis						14.59					16.75			vii.

NAVARRO COUNTY, TEXAS
BID NO. 2013-R-006 ANNUAL CONTRACT FOR ROAD AND BASE MATERIALS
BID TABULATION

(Material delivered) PCT 3		HOT OIL SAND	HOT MIX	HOT MIX COLD LAD	CATIONIC EMULSION	FLEX BASE A/1/2	FLEX BASE A/2/2	WASTE	TYPE "C" ROCK	TYPE "D" ROCK	GRADE 3 COVER STONE	PEA GRAVE L			OTHER
Knife River	Waco / Groesbeck	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A			N/A
Apac Texas	Corsicana	69.00	75.75	78.75					36.75	36.75					
Ergon Asphalt & Emulsions	Waco				580.32 - Dawson / 582.34 Richland										i.
Mine Service, LTD	Waco	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A			N/A
TXI Operations, LP	Streetman										37.02 cyd			31.02 cyd	
King Sand & Gravel	Mexia						17.50		27.85	26.50		19.25	21.25		ii.
Lone Star Aggregate	Richland						13.75			13.75	19.25				iii.
Cleveland Asphalt	Shepherd				2.5436 Gal										iv.
Rattler Rock, Inc.	Blum					N/A									v.
Heartland Asphalt	Saginaw				598.52										vi.
Lehigh Hanson	Groesbeck/Ennis						12.35					17.82			vii.
(Material delivered) PCT 4															
Knife River	Waco / Groesbeck	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A			N/A
Apac Texas	Corsicana	69.00	75.75	78.75					36.75	36.75					
Ergon Asphalt & Emulsions	Waco				582.34										i.
Mine Service, LTD	Waco	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A			N/A
TXI Operations, LP	Streetman										37.02 cyd			31.02 cyd	
King Sand & Gravel	Mexia						16.20		29.45	28.10		18.75	23.25		ii.
Lone Star Aggregate	Richland						13.75			13.75	19.25				iii.
Cleveland Asphalt	Shepherd				2.5436 Gal										iv.
Rattler Rock, Inc.	Blum					N/A									v.
Heartland Asphalt	Saginaw				595.80										vi.
Lehigh Hanson	Groesbeck/Ennis						15.10					15.15			vii.

Other Products offered are on last page.
Prices shown are per ton unless otherwise specified.

**NAVARRO COUNTY, TEXAS
 BID NO. 2013-R-006 ANNUAL CONTRACT FOR ROAD AND BASE MATERIALS
 BID TABULATION**

875

i. Ergon Asphalt	Waco	This bid is for full transport loads of 5,500 Gallons. Freight is based on a full transport load, even if a full load of material is not ordered. The common carrier bills demurrage at \$80.00 per hour, after the second hour. Return freight is one-half of the outgoing tariff. Pump and hose charge is & 80.00 per load.
ii. King Sand & Gravel	Mexia	Concrete Sand: Delivered to Precinct 1: \$ 14.50 per ton Delivered to Precinct 2: \$ 14.00 per ton Delivered to Precinct 3: \$ 16.25 per ton Delivered to Precinct 4: \$ 17.25 per ton
iii. Lone Star Aggr.	Richland	Additional Information: Applied pricing is delivered to stockpile/roadway for noted Precinct. Delivery does NOT include placement of material. Delivery requires 48 hours notice - minimum haul charge 20 tons per load. Waiting Time after 20 minutes on site @ \$80.00 per hour. Plant Location Telephone: 903-362-3334
iv. Cleveland Asphalt	Shepherd	All prices are based on 5000 gallons minimum delivery Demurrage Charge \$80.00 per hr after 2 free.
v. Rattler Rock, Inc.	Blum	Also have a 3" x 5" oversize for \$ 6.25 ton
vi. Heartland Asphalt	Saginaw, TX	Prime Emulsion: AEP - \$ 775.00 per ton FOB Saginaw, TX Delivered to Pct 1: \$ 812.00 per ton Delivered to Pct 2: \$ 814.72 per ton Delivered to Pct 3: \$ 814.72 per ton Delivered to Pct 4: \$ 812.00 per ton Base Stabilization: Cationic Emulsion: \$ 559.30 per ton FOB Saginaw, TX Delivered to Pct 1: \$ 595.80 per ton Delivered to Pct 2: \$ 598.52 per ton Delivered to Pct 3: \$ 598.52 per ton Delivered to Pct 4: \$ 595.80 per ton Delivery Arcillary Charges: Demurrage - 1st 2 hours unloading free, \$ 80.00 per hr. after. Full Load - 5,600 gallons. Freight is based on full load if less is needed. Pump Charge - \$ 80.00 when a pump is required. Return Load - 1/2 of tariff
vii. Lehigh Hanson	Groesbeck/Ennis	Please note that the material we are submitting is a 2" minus commercial flex base. Though it is quality material, it is not inspected or passed for TXDOT 247 specifications Grade 2.

Contract awarded to all bidders.