

Jack P. Driskill
Timothy T. Pridmore
R. Michael McCauley, Jr.
Gwynn P. Martin
James L. Stevens*
Todd J. Johnston*
Cooper L. McDaniel*



McWHORTER COBB and JOHNSON LLP
ATTORNEYS AND COUNSELORS • ESTABLISHED 1929

Of Counsel
D. Thomas Johnson
Owen W. McWhorter, Jr.

Founders
Owen W. McWhorter (1897-1986)
Charles L. Cobb (1913-2000)
Dale H. Johnson (1921-2016)

* Also Licensed in New Mexico

November 23, 2020

Prosperity Bank
Attn: Derek Weaver
100 South Main Street
Corsicana, Texas 75110

RE: \$154,041.30 Loan to Navarro County

Dear Derek Weaver,

Enclosed, please find the following:

1. Certification of Minutes: This document should be executed, with any blanks filled in and initialed. The original should be returned to you, and a copy of the executed document should be given to the Borrower at closing.
2. Promissory Note: This document should be executed, with any blanks filled in and initialed. The original should be returned to you, and a copy of the executed document should be given to the Borrower at closing.
3. Commercial Security Agreement: This document should be executed, with any blanks filled in and initialed. The original should be returned to you, and a copy of the executed document should be given to the Borrower at closing.
4. UCC-1 Financing Statement: This document will be filed by the Bank with the Texas Secretary of State. The original should be returned to you, and a copy of the executed document should be given to the Borrower at closing.
5. Notice of No Oral Agreements: This document should be executed, with any blanks filled in and initialed. The original should be returned to you, and a copy of the executed document should be given to the Borrower at closing.
6. Agreement to Provide Insurance: This document should be executed, with any blanks filled in and initialed. The original should be returned to you, and a copy of the executed document should be given to the Borrower at closing.
7. Collateral Protection Insurance Notice: This document should be executed, with any blanks filled in and initialed. The original should be returned to you, and a copy of the executed document should be given to the Borrower at closing.
8. Errors and Omissions Agreement: This document should be executed, with any blanks filled in and initialed. The original should be returned to you, and a copy of the executed document should be given to the Borrower at closing.

9. Notice Regarding Lender's Attorney: This document should be executed, with any blanks filled in and initialed. The original should be returned to you, and a copy of the executed document should be given to the Borrower at closing.
10. Checklist: This document should be reviewed by bank officer to verify completeness with items checked off as they are completed and should be retained in the loan file.

The following amounts should be collected by the title company in connection with the closing of this loan:

Tx SOS Filing Fee:	\$ TBD	(Remit to PB fbo CSC)
Attorney Fee:	\$400.00	(Remit to McWhorter, Cobb and Johnson, LLP)

Please contact me by either telephone (806.762.0214) or email at jstevens@mcjllp.com if you have any questions

Sincerely,

McWHORTER, COBB & JOHNSON, L.L.P.

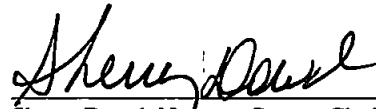
By: James L. Stevens

Certification of Minutes

The undersigned, being the duly elected County Clerk of Navarro County, Texas, do hereby certify the following:

- 1) The Commissioner Court met in an authorized proceeding on October 26, 2020;
- 2) Those in attendance at the meeting were HM Davenport, Jr., County Judge, and Eddie Perry, Eddie Moore and James Olsen, County Commissioners;
- 3) That after proper notice and deliberation, motion was made to approve Agenda 18, the purchase of a John Deere 6110M Tractor with Mid-Mount Boom mower, including the financing of same with Prosperity Bank;
- 4) That said motion was unanimously approved
- 5) That HM Davenport, Jr., is the duly elected and serving County Judge of Navarro County, Texas.

Certified effective November 23, 2020.



Sherry Dowd, Navarro County Clerk



PROMISSORY NOTE

November 23, 2020

\$154,041.30

FOR VALUE RECEIVED, the undersigned, **Navarro County ("Borrower")** hereby promises to pay to the order of **Prosperity Bank**, a Texas banking association, the principal sum of **One Hundred Fifty Four Thousand Forty One and 30/100 Dollars (\$154,041.30)** (the "**Maximum Amount**"), with interest from the date of advancement until maturity on the unpaid principal balance outstanding from time to time at the rate of **3.750%** per annum. This Promissory Note (this "**Note**") is payable without setoff, deduction, or recoupment at Prosperity Bank, a Texas banking association, 100 South Main Street, Corsicana, Texas 75110 or such other location as the Bank may designate from time to time. "**Bank**" as used herein means Prosperity Bank, a Texas banking association and all other holders of this Note.

If not sooner due or paid, the principal and interest of this Note are due and payable as follows:

The principal and all accrued interest of this Note are payable in two (2) equal annual installments of **\$53,740.78** and a third (3) and final annual installment of all remaining unpaid principal and interest. The first installment is due on or before **February 1, 2021**, and the remaining installments are due on or before the same day of each year thereafter, with the final installment of all unpaid principal and accrued interest being due on or before **February 1, 2023**.

Payments will not be considered made until actually received by the payee in immediately available funds and in lawful money of the United States of America.

Before maturity, all payments are to be applied first to accrued interest and then to principal. After maturity, at the sole option of Bank, payments may be applied to either principal or interest. All or any part of this Note may be paid without penalty at any time before its scheduled due date.

In the event any installment, or any part thereof, remains unpaid for ten (10) or more days past the due date thereof as provided above, Borrower shall pay to Bank, in addition to any other amounts to which Bank may be entitled hereunder, a reasonable late payment fee equal to five (5) percent of the amount of said installment, which amount is stipulated by Borrower to be reasonable in order to compensate Bank for its additional costs incurred as a result of having to attend to such delinquency. This late charge should be paid only once, but promptly, as to each respective late payment. It is further agreed that the imposition of any such late payment fee shall in no way prejudice or limit Bank's rights or remedies against Borrower under this Agreement or any of the Security Instruments or any other instrument.

In the event any check used to make a payment to Bank is dishonored for any reason, Borrower shall pay to Bank, in addition to any other amounts to which Bank may be entitled hereunder, a reasonable processing fee of \$30.00 (or the maximum amount provided from time to time in Section 3.506.(b) of the Texas Business and Commerce Code as it may be amended). This processing fee should be paid once with respect to each dishonor of a check. It is further agreed that the imposition of any such processing fee shall in no way prejudice or limit Bank's rights or remedies against Borrower under this Agreement or any of the Security Documents or any other instrument.

Interest on this Note is computed on a Actual/360 simple interest basis; that is, by applying the ratio of the annual interest rate over a year of 360 days, times the outstanding principal balance, times the actual number of days the principal balance is outstanding, unless such calculation results in a usurious rate, in which case interest shall be calculated on a per diem basis of a year of 365 days.

"**Highest Lawful Rate**", as used herein, shall be deemed to mean the maximum rate of interest permitted at such time by any federal or other law applicable to the indebtedness evidenced by the Note.

All past due principal and interest on this Note shall bear interest from maturity until paid at a floating rate equal to the Highest Lawful Rate. During the existence of any default hereunder, or in any loan agreement, security agreement, deed of trust, guaranty or other loan document which evidence, support, secure or otherwise relate to this

Note (collectively, the "Loan Documents"), the entire unpaid principal balance shall bear interest at a floating rate equal to the Highest Lawful Rate.

Interest on the debt evidenced by this Note will not exceed the maximum rate or amount of nonusurious interest that may be contracted for, taken, reserved, charged, or received under law. Any interest in excess of that maximum amount will be credited on the principal or, if the principal has been paid, refunded. On any acceleration or required or permitted prepayment, any excess interest will be canceled automatically as of the acceleration or prepayment or, if the excess interest has already been paid, credited on the principal or, if the principal has been paid, refunded. This provision overrides any conflicting provisions in this Note and all other Loan Documents.

Collateral for this Note includes a Commercial Security Agreement and UCC-1 Financing Statement covering interest of Borrower in and to the following equipment of Borrower, whether now owned or hereafter acquired, together with all increases, parts, fittings, accessories, special tools and accessions now or hereafter attached thereto or used in connection therewith, and any and all replacements of all or any part thereof and any and all products and proceeds of any of the foregoing:

Item:	Manufacturer:	Model:
Mower	Tiger	RT50D
Tractor	John Deere	6110M

It is expressly agreed that if default be made in the punctual payment of this Note or any installment of principal or interest on this Note as the same shall become due, or if default occurs in any warranty, covenant or agreement contained in this Note or any other Loan Document, or if the Borrower or any Guarantor becomes the subject of a civil or criminal action that the Bank believes may materially affect Borrower's or any Guarantor's ability to pay this Note, or if Borrower defaults on any other loan with Bank, or if at any time the Bank, in good faith, deems prospect of payment hereof or resort to collateral to be impaired or in jeopardy, then in any of said events the Bank may declare the entire balance owing on this Note immediately due and payable without prior notice or demand.

All amounts owing on this Note shall immediately become due and payable, without notice or demand, upon the appointment of a receiver or a liquidator, whether voluntary or involuntary, for the Borrower or for any of Borrower's property or upon the commencement of any proceeding under any bankruptcy or insolvency law by or against Borrower or any accommodation party or any guarantor or surety for Borrower.

It is hereby expressly agreed that if this Note is placed in the hands of an attorney for collection or for the purpose of being established in any manner in any court, bankruptcy or probate proceeding, Borrower and each signer, accommodation party, surety, endorser and guarantor agree to pay all costs of collection and reasonable attorneys' fees.

No delay or omission of the Bank to exercise any power, right or remedy accruing to the Bank or any other holder hereof shall impair any such power, right or remedy or shall be construed to be a waiver of the right to exercise any such power, right or remedy. Further, acceptance by the Bank of any payment hereunder which is less than payment in full of all amounts due and payable at the time of such payment shall not constitute a waiver of the right to exercise any options of the Bank or nullify any prior exercise of any such option.

Assignment: Borrower agrees that Bank may provide information or knowledge the Bank may have about the Borrower or about any matter related to the Note or related loan documents to any one or more purchasers or potential purchasers of this Note or related loan documents. The Borrower agrees that the Bank may at any time sell, assign or transfer one or more interests or participations in all or any part of its rights and obligations under this Note to one or more purchasers whether or not related to the Bank.

WAIVER OF SPECIAL DAMAGES. THE UNDERSIGNED WAIVES, TO THE MAXIMUM EXTENT NOT PROHIBITED BY LAW, ANY RIGHT THE UNDERSIGNED MAY HAVE TO CLAIM OR RECOVER FROM THE BANK IN ANY LEGAL ACTION OR PROCEEDING ANY SPECIAL, EXEMPLARY, PUNITIVE OR CONSEQUENTIAL DAMAGES.

JURY WAIVER. THE UNDERSIGNED AND THE BANK (BY ITS ACCEPTANCE HEREOF) HEREBY VOLUNTARILY, KNOWINGLY, IRREVOCABLY AND UNCONDITIONALLY WAIVE ANY RIGHT TO HAVE A JURY PARTICIPATE IN RESOLVING ANY DISPUTE (WHETHER BASED ON CONTRACT, TORT, OR OTHERWISE) BETWEEN THE UNDERSIGNED AND THE BANK ARISING OUT OF OR IN ANY WAY RELATED TO THIS INSTRUMENT OR THE OTHER RELATED DOCUMENTS. THIS PROVISION IS A MATERIAL INDUCEMENT TO THE BANK TO PROVIDE THE FINANCING EVIDENCED BY THIS INSTRUMENT. ALL PARTIES ACKNOWLEDGE THAT THIS SECTION HAS EITHER BEEN BROUGHT TO THE ATTENTION OF EACH PARTY'S LEGAL COUNSEL OR THAT EACH PARTY HAS HAD THE OPPORTUNITY TO DO SO.

The Borrower and each signer, accommodation party, surety, endorser and guarantor of this Note severally waive demand, presentment, notice of default, notice of intent to accelerate, notice of acceleration of maturity, diligence in collecting, grace, notice and protest as to this Note and as to each, every, and all installments hereof, and each consents that the Bank may at any time, and from time to time, upon request of or by agreement with any of us, extend the date of maturity hereof, change the time or method of payment, release or change any guaranty or collateral at any time existing, or fail to perfect or to maintain perfection of any lien or security interest, whether before or after maturity, without notice to any of the other signers, accommodation parties, sureties, endorsers, or guarantors all of whom shall remain bound for the payment hereof.

Navarro County

By: _____


HM Davenport, Jr., County Judge

LOAN DISCLOSURE

The term "written loan agreement" is defined in Section 26.02 of the Texas Business and Commerce Code, and the following notice is provided under said Section 26.02:

THIS WRITTEN LOAN AGREEMENT REPRESENTS THE FINAL AGREEMENT BETWEEN THE PARTIES AND MAY NOT BE CONTRADICTED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS OR SUBSEQUENT ORAL AGREEMENTS OF THE PARTIES.

THERE ARE NO UNWRITTEN ORAL AGREEMENTS BETWEEN THE PARTIES.

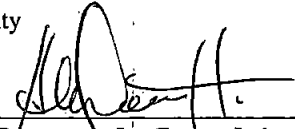
Prosperity Bank, a Texas banking association

By: _____

Derek Weaver, Banking Center President

Navarro County

By: _____


HM Davenport, Jr., County Judge

NOTICE OF NO ORAL AGREEMENTS

Date: November 23, 2020
Lender: Prosperity Bank, a Texas banking association
Borrower: Navarro County
Loan: \$154,041.30

Collateral: Collateral for this Note includes a Commercial Security Agreement and UCC-1 Financing Statement covering interest of Borrower in and to the following equipment of Borrower, whether now owned or hereafter acquired, together with all increases, parts, fittings, accessories, special tools and accessions now or hereafter attached thereto or used in connection therewith, and any and all replacements of all or any part thereof and any and all products and proceeds of any of the foregoing:

Item:	Manufacturer:	Model:
Mower	Tiger	RT50D
Tractor	John Deere	6110M

THE WRITTEN LOAN AGREEMENT AND MODIFICATION BETWEEN LENDER AND BORROWER REPRESENTS THE FINAL AGREEMENT BETWEEN THE PARTIES AND MAY NOT BE CONTRADICTED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS OR SUBSEQUENT ORAL AGREEMENTS OF THE PARTIES.

THERE ARE NO UNWRITTEN ORAL AGREEMENTS BETWEEN THE PARTIES.

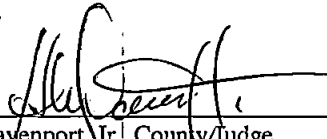
RECEIPT OF NOTICE. THE UNDERSIGNED HEREBY REPRESENTS AND WARRANTS THAT I/WE HAVE EACH RECEIVED AND READ A COPY OF THIS NOTICE ON OR BEFORE THE EXECUTION OF THE LOAN AGREEMENT. "LOAN AGREEMENT" MEANS ONE OR MORE PROMISSORY NOTES, AGREEMENTS, UNDERTAKINGS, SECURITY AGREEMENTS, DEEDS OF TRUST OR OTHER DOCUMENTS OR COMMITMENTS, MODIFICATIONS, OR ANY COMBINATION OF THOSE ACTIONS OR DOCUMENTS, PURSUANT TO WHICH A FINANCIAL INSTITUTION LOANS OR DELAYS REPAYMENT OF OR AGREES TO LOAN OR DELAY REPAYMENT OF MONEY, GOODS, OR ANOTHER THING OF VALUE OR TO OTHERWISE EXTEND CREDIT OR MAKE A FINANCIAL ACCOMMODATION.

Executed November 23, 2020.

Prosperity Bank, a Texas banking association

By: _____
Derek Weaver, Banking Center President

Navarro County

By:  _____
HM Davenport, Jr., County Judge

AGREEMENT TO PROVIDE INSURANCE

Date: November 23, 2020

Lender: Prosperity Bank, a Texas banking association

Lender's Address: 100 South Main Street, Corsicana, Texas 75110

Borrower: Navarro County

Borrower's Address: 300 W. 3rd Avenue, Suite 10, Corsicana, Texas 75110

Loan Amount (the "Loan"): \$154,041.30

Collateral: Collateral for this Note includes a Commercial Security Agreement and UCC-1 Financing Statement covering interest of Borrower in and to the following equipment of Borrower, whether now owned or hereafter acquired, together with all increases, parts, fittings, accessories, special tools and accessions now or hereafter attached thereto or used in connection therewith, and any and all replacements of all or any part thereof and any and all products and proceeds of any of the foregoing:

Item:	Manufacturer:	Model:
Mower	Tiger	RT50D
Tractor	John Deere	6110M

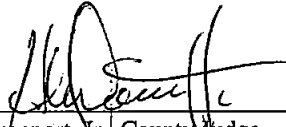
Borrower agrees, in addition to any requirements specified in the documents evidencing the Loan (the "**Loan Documents**"), to insure the properties securing the Collateral as follows:

1. for its fully insurable replacement value, with a deductible no greater than one percent,
2. to have Lender named as a mortgagee on the policy,
3. to arrange for the insurance company to provide Lender written notice that the policy is in effect and that Lender's status as mortgagee has been noted on such policy,
4. to pay for this insurance, including the fees for any endorsements, and
5. to keep the insurance in effect until the Loan is fully paid and the Collateral has been released from Lender's security interest.

Borrower acknowledges that its failure to provide insurance as required by this agreement or the Loan Documents shall be an event of default under the Loan Documents and shall entitle Lender to exercise all rights and remedies available pursuant to Loan Documents.

BORROWER:

Navarro County

By: 
HM Davenport, Jr. County Judge

COLLATERAL PROTECTION INSURANCE NOTICE

Date: November 23, 2020

Lender: Prosperity Bank, a Texas banking association

Lender's Address: 100 South Main Street, Corsicana, Texas 75110

Borrower: Navarro County

Borrower's Address: 300 W. 3rd Avenue, Suite 10, Corsicana, Texas 75110

Loan Amount (the "Loan"): \$154,041.30

Collateral: Collateral for this Note includes a Commercial Security Agreement and UCC-1 Financing Statement covering interest of Borrower in and to the following equipment of Borrower, whether now owned or hereafter acquired, together with all increases, parts, fittings, accessories, special tools and accessions now or hereafter attached thereto or used in connection therewith, and any and all replacements of all or any part thereof and any and all products and proceeds of any of the foregoing:

Item:	Manufacturer:	Model:
Mower	Tiger	RT50D
Tractor	John Deere	6110M

Your credit agreement with Lender, which includes this notice, grants Lender a security interest in the Collateral. You are required to maintain insurance on the Collateral. You are required to maintain insurance on the Collateral in the amount Lender specifies, subject to applicable law. You agree to purchase the Collateral insurance from an insurer authorized to do business in Texas or an eligible surplus lines insurer to the extent permitted by law. You will name Lender as loss payee under the policy. You may be required to deliver Lender a copy of the Collateral protection insurance policy and proof of payment of the premiums. If you fail to meet any of these requirements, Lender may obtain Collateral protection insurance on your behalf. Lender is not required to purchase any type or amount of insurance. Lender may obtain replacement cost insurance if authorized under applicable law, subject to policy limits. If Lender purchases insurance for the Collateral, you will be responsible for the cost of the insurance, including interest and any other charges incurred by Lender in connection with the placement of Collateral protection insurance to the extent permitted by law. You understand that insurance Lender obtains may cost significantly greater than the cost of insurance you could have obtained. Amounts that you owe are due and payable upon demand or on such other terms as Lender requires to the extent permitted by law.

BORROWER:

Navarro County

By: _____


HM Davenport, Jr., County Judge

ERRORS AND OMISSIONS AGREEMENT

Date: November 23, 2020

Lender: Prosperity Bank, a Texas banking association

Lender's Address: 100 South Main Street, Corsicana, Texas 75110

Borrower: Navarro County

Borrower's Address: 300 W. 3rd Avenue, Suite 10, Corsicana, Texas 75110

Loan Amount (the "Loan"): \$154,041.30

Collateral: Collateral for this Note includes a Commercial Security Agreement and UCC-1 Financing Statement covering interest of Borrower in and to the following equipment of Borrower, whether now owned or hereafter acquired, together with all increases, parts, fittings, accessories, special tools and accessions now or hereafter attached thereto or used in connection therewith, and any and all replacements of all or any part thereof and any and all products and proceeds of any of the foregoing:

Item:	Manufacturer:	Model:
Mower	Tiger	RT50D
Tractor	John Deere	6110M

Dear Borrower:

Please evidence your consent and agreement to the following by your execution of this instrument in the space provided below:

1. Agreement to Correct or Provide Additional Documentation or Fees. In consideration of Lender disbursing funds for the closing of the Loan or extending and modifying the Loan, and regardless of the reason for any loss, misplacement, omission, misstatement or inaccuracy in any Loan documentation, Borrower agrees that if any document is lost, misplaced, omitted, misstated or inaccurately reflects the true and correct terms and conditions of the Loan, upon request of Lender (including any assignee of Lender), Borrower will comply with Lender's request to execute, acknowledge, initial and/or deliver to Lender any documentation Lender deems necessary to replace and/or correct the lost, misplaced, omitted, misstated or inaccurate document(s). This agreement shall apply whether any misstatement or inaccuracy is due to unilateral mistake on the part of Lender, mutual mistake on the part of Lender, or Borrower, or a clerical error. All documents Lender requests of Borrower shall be referred to as "**Requested Documents.**" Borrower agrees to deliver the Requested Documents to Lender within ten days after a written request for such replacement. Borrower also agrees that upon a request by Lender, Borrower will pay to Lender any additional sum previously disclosed to Borrower as a cost or fee associated with the Loan, which for whatever reason was not collected at closing.

2. Request by Lender. Any request under this agreement may be made by Lender (including assignees and persons acting on behalf of the Lender) or the settlement agent and shall be prima facie evidence of the necessity for same. A written statement addressed to Borrower at the address indicated in the Loan documentation shall be considered conclusive evidence of the necessity for Requested Documents.

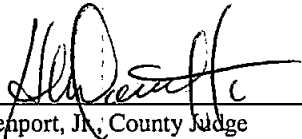
3. Borrower's and Guarantors' Liability. If Borrower fails or refuses to execute, acknowledge, initial or deliver the Requested Documents or fees to Lender within ten days after being requested to do so by Lender, Borrower understanding that Lender is relying on the representations contained in this agreement, Borrower shall be liable for any and all loss or damage which Lender sustains thereby, including, but not limited to, all reasonable attorneys' fees and costs incurred by Lender. Further, Borrower's failure to provide the Requested Documents shall constitute an event of default under the note evidencing and the deed of trust securing the Loan.

This Agreement shall survive the closing of the Loan and inure to the benefit of Lender's successors and assigns and be binding upon the heirs, devisees, personal representatives, successors and assigns of Borrower and Guarantors.

BORROWER:

Navarro County

By: _____


HM Davenport, Jr., County Judge

NOTICE AND STATEMENT REGARDING LENDER'S ATTORNEYS

Re: \$154,041.30 Loan from Prosperity Bank, a Texas banking association to Navarro County

The purpose of the following is to fully disclose the relationship between the law firm of McWhorter, Cobb and Johnson LLP, hereinafter referred to as "Attorneys", that has or will prepare the legal documents for this loan transaction for Prosperity Bank, a Texas banking association, hereinafter referred to as "Lender".

The undersigned acknowledge that the Attorneys have acted only as counsel to Lender, and have not, in any manner, undertaken to assist or render legal advice to the undersigned, with respect to this transaction. The Attorneys preparing the loan documents represent only Lender, and not any of the other parties involved in this transaction.

The undersigned understand that they have the right to be represented by their own attorney and to have such other attorney present at any of the loan transaction meetings.

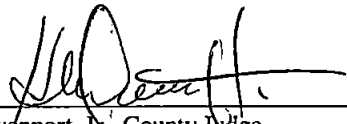
The undersigned have been provided with an opportunity to examine the title commitment issues by the title company in this transaction, and are satisfied with the contents of said commitment. Further, the undersigned agree and understand that this transaction is not "closed" until the Lender issues its funds and until all disbursements are made on behalf of all parties. In the event there are any additional charges for anyone furnishing services, requiring payoff, or by any taxing authority, the undersigned will pay same upon written request.

The undersigned acknowledge Borrower's obligation as a part of Borrower's agreement with Lender, to pay the legal fees of Attorneys. If this transaction involves a sale of property, the undersigned understand that the parties may allocate payment of the legal fees between themselves as they may agree.

The undersigned acknowledge that they have been notified and understand their right to independent legal counsel and that the Attorneys represent only the interest of Lender, and not those of any of the other parties.

Dated November 23, 2020.

Navarro County

By: 
HM Davenport, Jr., County Judge

COMMERCIAL SECURITY AGREEMENT

Date: November 23, 2020

A. Parties

1. **Secured Party** Prosperity Bank, a Texas Banking association
100 South Main Street, Corsicana, Texas 75110
2. **Debtor:** Navarro County
300 W. 3rd Avenue, Suite 10, Corsicana, Texas 75110

B. Agreement

Subject to the terms of this security agreement, Debtor grants to Secured Party a security interest pursuant to the terms and provisions of the Texas Business and Commerce Code (the "UCC") in the Collateral to secure the payment of the Indebtedness. Words and terms not otherwise defined in this security agreement shall have the meanings attributed to such terms in the UCC.

C. Indebtedness

The following (collectively the "Indebtedness") is secured by this agreement:

1. All past, present, and future advances, of whatever type, by Secured Party to or for the benefit of Debtor, and extensions and renewals thereof;
2. All existing and future liabilities, of whatever type, of Debtor to Secured Party, including (but not limited to) liability for overdrafts and as endorser, surety, guarantor, or accommodation maker;
3. All costs and expenses incurred by Secured Party (a) to obtain, preserve, and enforce this security interest and all other loan documents, including (but not limited to) appraisals and environmental assessments as may be required from time to time to support the Indebtedness; (b) to collect the Indebtedness; (c) to obtain, maintain, preserve and dispose of Collateral securing the Indebtedness, including (but not limited to) taxes, assessments, insurance premiums, repairs, reasonable attorney's fees and legal expenses, feed, rent, storage costs, and expenses of sale;
4. Interest on the Indebtedness, as agreed between Secured Party and Debtor, or if no such agreement, at a floating rate equal to the Highest Lawful Rate, as it may exist and change from time to time, on the amounts advanced from the date of advancement until paid; and
5. All present, past, and future notes of Debtor, including all renewals, extensions and modifications, including (but not limited to):

A Promissory Note of even date herewith executed by Debtor to the order of Secured Party in the original principal sum \$154,041.30 (the "Maximum Amount"), bearing interest and being due and payable as therein provided (the "Note").

D. Collateral

1. The security interest is granted in all of the following property (which is collectively referred to as "Collateral") whether now owned or hereafter acquired or in the possession of Debtor; and where ever located:

All interest of Debtor in and to the following equipment of Debtor, whether now owned or hereafter acquired, together with all increases, parts, fittings, accessories, special tools and accessions now or

hereafter attached thereto or used in connection therewith, and any and all replacements of all or any part thereof and any and all products and proceeds of any of the foregoing:

Item:	Manufacturer:	Model:
Mower	Tiger	RT50D
Tractor	John Deere	6110M

E. Agreements and Warranties of Debtor

1. Debtor will: take adequate care of the Collateral; insure the Collateral for such hazards and in such amounts as Secured Party directs; furnish from time to time such other collateral as Secured Party may reasonably request to fully secure the Indebtedness; maintain public liability insurance as may be required by Secured Party; maintain such workers' compensation insurance as may be required by law; maintain, transfer and assign such life insurance as may be required by Secured Party; secure all insurance under policies satisfactory to Secured Party; furnish to Secured Party evidence of all such insurance policies being in continuous full force and effect; pay all costs necessary to obtain, preserve, and enforce this security interest, including (but not limited to) appraisals and environmental assessments as may be required from time to time to support the Indebtedness, to collect the Indebtedness, and preserve the Collateral, including (but not limited to) taxes, assessments, insurance premiums, repairs, reasonable attorney's fees and legal expenses, feed, rent, storage costs and expenses of sale; furnish Secured Party with any information on the Collateral requested by Secured Party, including current updated schedules of Collateral from time to time; allow Secured Party to inspect the Collateral, and inspect and copy all records relating to the Collateral and the Indebtedness; sign any loan papers required by Secured Party from time to time in a form satisfactory to Secured Party's legal counsel which are requested to obtain and maintain this security interest; assist Secured Party in complying with the Federal Assignment of Claims Act, where necessary, to enable Secured Party to become an assignee under such Act; take necessary steps to preserve the liability of account debtors, obligors and secondary parties whose obligations are part of the Collateral; transfer possession of all instruments, documents, and chattel paper which are part of the Collateral to Secured Party immediately, or as to those hereafter acquired, immediately following acquisition; perfect a security interest (using a method satisfactory to Secured Party) in goods covered by chattel paper which are part of the Collateral; deliver to Secured Party such income tax returns, financial statements, budgets and other information as may be required by Secured Party from time to time, in a form required by Secured Party, to fairly and accurately determine the creditworthiness and financial condition of Debtor, including within 90 days of the end of each fiscal year, a balance sheet financial statement certified by an independent certified public accountant and at the end of each quarter, a profit and loss statement signed by an authorized financial officer of Debtor; make a full disclosure to Secured Party immediately upon discovery of the following:
 - (a) Any claim, suit or proceeding threatened against or affecting Debtor which, if adversely determined, would have a material adverse effect upon the financial condition, creditworthiness or the operation of the business of Debtor; or
 - (b) Any material adverse change in any facts or circumstances warranted or represented by Debtor in connection with the credit, including the financial and credit information which has been submitted to Secured Party from time to time; or
 - (c) Any material adverse condition or change in the financial condition, creditworthiness or business operation of Debtor; or
 - (d) Any event of default occurs.

Collateral Protection Insurance Notice

As part of this Commercial Security Agreement, Debtor gives Secured Party a security interest in the Collateral herein described. Debtor is required to maintain insurance on the Collateral in an

amount Secured Party specifies, subject to applicable law. Debtor agrees to purchase the insurance from an insurer authorized to do business in Texas or an eligible surplus lines insurer to the extent permitted by law. Debtor will name Secured Party as loss payee on the insurance policy. Debtor may be required to deliver a copy of the property insurance policy and proof of payment of premiums to Secured Party. If Debtor fails to meet any of these requirements, Secured Party may obtain collateral protection insurance on Debtor's behalf. Secured Party is not required to purchase any type or amount of insurance. Secured Party may obtain replacement cost insurance if authorized under applicable law, subject to policy limits. If Secured Party purchases insurance for the Collateral, Debtor will be responsible for the cost of that insurance, including interest and any other charges incurred by Secured Party in connection with the placement of collateral protection insurance to the extent permitted by law. Debtor understands that insurance obtained by Secured Party may cost significantly greater than the cost of insurance Debtor could have obtained. Amounts that Debtor owes are due and payable upon demand or on such other terms as Secured Party requires to the extent permitted by law.

2. Debtor will not (without Secured Party's prior written consent): remove the Collateral from the locations specified herein; sell, lease, transfer, mortgage or otherwise dispose of any Collateral, except inventory and farm products sold in the ordinary course of business; sell, lease, transfer or otherwise dispose of a substantial part of Debtor's assets; merge, reorganize, consolidate or sell, exchange, transfer, mortgage or eliminate all or any part of the beneficial, legal or equitable ownership of Debtor if Debtor is a corporation, partnership, joint venture, trust or other type of business entity. Debtor agrees that this loan may not be assumed by any party nor may Collateral be sold or transferred subject to this security interest without the prior written consent of Secured Party.
3. Debtor warrants: this security agreement grants to Secured Party a first and prior lien and security interest in all Collateral to secure the payment of all Indebtedness; that no financing statement has been filed and no control agreement has been given with respect to the Collateral, other than relating to this security interest; that Debtor is absolute owner of the Collateral, and it is not encumbered other than by this security interest (and the same will be true of Collateral acquired hereafter when acquired); that none of the Collateral is affixed to real estate or an accession to goods other than Collateral, nor will Collateral acquired hereafter be affixed to real estate or an accession to the goods other than Collateral when acquired, unless Debtor has furnished Secured Party the consents or disclaimers necessary to make this security interest valid against persons holding interests in the real estate or other goods; that all account debtors and obligors, whose obligations are part of the Collateral, are to the extent permitted by law prevented from asserting against Secured Party any claims or defenses they have against seller, or can be so prevented by Secured Party taking action provided by law for such purposes; the financial information and balance sheet of Debtor for the date and period therein shown, furnished to Secured Party, and which may be furnished during the term of this agreement: (a) are complete and correct; (b) accurately present the financial conditions at said date; (c) accurately reflect the operations of the period ending on said date; (d) accurately reflect all liabilities and other commitments; (e) accurately reflect material adverse change in the financial condition or operations; and (f) accurately disclose all information which would adversely affect the creditworthiness of Debtor; there are no claims, suits or proceedings pending or to the knowledge of Debtor threatened against or affecting Debtor which if adversely determined would have a material adverse effect upon the financial condition, creditworthiness or the operation of any business of Debtor.
4. Debtor agrees to take such actions as may be requested by Secured Party:
 - (a) to take control of the Collateral and to otherwise perfect Secured Party's security interest in accordance with the applicable provisions of Articles 8 and/or 9 of the Uniform Commercial Code in effect for the state in which the Collateral is deemed to be located; and
 - (b) to register the security interest of the Secured Party in the Collateral on the books of the issuer, transfer agent or other party in possession as applicable.

5. If the Debtor is at any time a beneficiary under a letter of credit, the Debtor shall promptly notify the Secured Party thereof and, at the request and option of the Security Party, the Debtor shall, pursuant to an agreement in form and substance satisfactory to the Secured Party either (i) arrange for the issuer and any confirmer or other nominated person of such letter of credit to consent to an assignment to the Secured Party of the proceeds of the letter of credit, or (ii) arrange for the secured Party to become the transferee beneficiary of the letter of credit, with Secured Party agreeing, in each case, that the proceeds of the letter of credit are to be applied as provided in the loan documents.

F. Rights of Secured Party

Before or After an Event of Default: Secured Party may, in its discretion, before or after an event of default, in addition to all rights and remedies of Secured Party included in any loan agreement or other loan papers or by law: endorse as Debtor's agent any instruments or chattel paper in the Collateral; notify account debtors and obligors on instruments to make payment direct to Secured Party; contact account debtors directly to verify information furnished by Debtor; take control of proceeds and use cash proceeds to reduce any part of the Indebtedness; take any action which is required to be taken or otherwise necessary to obtain, preserve, and enforce this security interest, and maintain and preserve the Collateral, without notice to Debtor, and add costs of same to the Indebtedness (but Secured Party is under no duty to take any such action); release Collateral in its possession to Debtor, temporarily or otherwise; require additional Collateral; reject as unsatisfactory any property hereafter offered by Debtor as Collateral; set standards, from time to time, to govern what may be used as after-acquired Collateral; designate, from time to time, a certain percent of the Collateral as the loan value and require Debtor to maintain the Indebtedness at or below such figure; take control of funds generated by the Collateral, such as dividends, interest, and proceeds or refunds from insurance, and use same to reduce any part of the Indebtedness; waive any of its rights hereunder without such waiver prohibiting the later exercise of the same or similar rights; revoke any permission or waiver previously granted to Debtor.

After an Event of Default: When an event of default occurs:

- (a) Secured Party, at its sole option, may declare all Indebtedness immediately due and payable without prior notice or demand to Debtor, Borrower or any guarantor; provided that all Indebtedness is immediately and automatically due and payable without notice or demand and without any acts by Secured Party to accelerate upon the appointment of a receiver or liquidator, voluntary or involuntary, for Debtor, Borrower or any guarantor or for any of their property or upon commencement of any proceeding, voluntary or involuntary, under any bankruptcy or insolvency law by or against Debtor, Borrower or any guarantor; and
- (b) Secured Party may in addition to all of the rights and remedies available to a secured creditor under the Texas Business and Commerce Code, proceed to collect all Indebtedness and to realize upon the Collateral by exercise of all of the rights and remedies of Secured Party included in this agreement, any loan agreement, deed of trust or other loan papers, including: declare all Indebtedness secured hereby to be immediately due and payable; require Debtor to assemble the Collateral and make it available to Secured Party at a place reasonably convenient to Secured Party and Debtor; exercise the right to the exclusion of Debtor to vote any Membership Interest which is part of the Collateral, and to exercise all other rights which an owner or such Membership Interest may exercise; to set off and apply to the Indebtedness all deposits of Debtor and any guarantor; to collect all payments and proceeds and apply the amounts realized upon collection and set off to the Indebtedness in such order as Secured Party may elect; and foreclose upon the Collateral as herein provided or in any manner permitted by law.

G. Miscellaneous

The rights and privileges of Secured Party shall inure to its successors and assigns. All representations, warranties, and agreements of Debtor are joint and several if Debtor is more than one and shall bind Debtor's personal representatives, heirs, successors, and assigns. All covenants, agreements, representations and warranties made herein or in any loan application, note, security agreement, guaranty agreement or deed of trust

shall survive the execution thereof in the making of the loan. All statements contained in any certificate or other writing delivered by Debtor hereunder shall be deemed to constitute representations and warranties made by Debtor. Definitions in the Texas Business and Commerce Code apply to words and phrases in this agreement. Debtor waives presentment, demand, notice of default, notice of intent to accelerate, notice of acceleration, notice of dishonor, protest, diligence in collecting, grace, and all other notices as to any Indebtedness and any instruments and chattel paper which serve as Collateral. Debtor agrees that this security agreement shall continue in full force and effect if Secured Party extends the maturity of any Indebtedness or changes the time or method of payment of any Indebtedness without notice to Debtor. Notice mailed to Debtor's address in Paragraph A.1 above at least five (5) days prior to the related action (or, if the Texas Business and Commerce Code specifies a longer period, such longer period prior to the related action), shall be deemed reasonable.

H. Events of Default

In addition to all events of default included in any loan agreement, note or other loan papers, any of the following is an event of default: failure to pay any Indebtedness when and as due beyond the applicable notice and cure period, if any; failure to observe or to perform any covenant, term or agreement required by this agreement, any note, deed of trust, loan agreement or other loan papers beyond the applicable notice and cure period, if any; any warranty or representation in this agreement or other loan papers, and any oral and written financial and credit information furnished to Secured Party by Debtor or any guarantor upon which Secured Party has relied is untrue in any material respect as of the date made or furnished; any material adverse change in any fact warranted or represented in this agreement or other loan papers or in the financial condition or business of Debtor, the Borrower or any guarantor; the appointment of a receiver or liquidator or an arrangement for benefit of creditors, voluntary or involuntary, for Debtor, the Borrower or any guarantor or for any of their property; the commencement of any proceeding, voluntary or involuntary, under any bankruptcy or insolvency law by or against Debtor, the Borrower or any guarantor; any substantial impairment in value or resort to any Collateral occurs, including any judgment against Debtor and any liens on Collateral other than those in favor of Secured Party; Secured Party's belief at any time that the prospect of payment of any part of the Indebtedness, or the performance of any part of this agreement is jeopardized or impaired.

When an event of default occurs, Secured Party, at its sole option, may declare all Indebtedness immediately due and payable without prior notice or demand to Debtor or any guarantor; provided that all Indebtedness is immediately and automatically due and payable without notice or demand and without any acts by Secured Party to accelerate upon the appointment of a receiver or liquidator, voluntary or involuntary, for Debtor or any guarantor or for any of their property or upon commencement of any proceeding, voluntary or involuntary, under any bankruptcy or insolvency law by or against Debtor or any guarantor.

I. Highest Lawful Rate

"Highest Lawful Rate", as used herein, shall be deemed to mean the greater of (i) the "Quarterly Ceiling" as referred to in Section 303.006 of the Texas Finance Code, as it may be subsequently amended, or (ii) the maximum rate of interest permitted at such time by any state or federal law applicable to the indebtedness evidenced by this Note. Each change in the Maximum Non-usurious Interest Rate is to become effective immediately without notice on the effective date of each change.

No provision of this security agreement shall require the payment or permit the collection of interest in excess of the maximum amount permitted by applicable law. If an excess of interest is provided for herein, or shall be adjudicated to be provided for herein, the maker shall not be obligated to pay such interest in excess of the amount permitted by applicable law, and the right to demand the payment of any such excess is hereby waived, and this provision shall control any other provision of this security agreement. Any payment of interest in excess of the maximum amount permitted by law shall inso facto be applied to principal, be considered as a mistake, and if the excess interest exceeds the unpaid balance of principal, such excess shall be refunded to the maker.

J. Miscellaneous Provisions

1. **Possession of Collateral by Third Party:** Upon delivery of any Collateral to a warehouse or bailee, Debtor agrees to immediately notify Secured Party and to have all receipts and other papers delivered

to the possession of Secured Party. Warehouse receipts will be issued in the joint name of Secured Party and Debtor, or if requested by Secured Party, in the sole name of Secured Party.

2. **Purchase Money:** Secured Party will have and Debtor hereby grants to Secured Party a security interest and purchase money liens in inventory, equipment and property purchased with funds advanced by Secured Party. Further, Secured Party shall be subrogated to all rights and liens of all persons and entities who are creditors of Debtor or hold liens on assets of Debtor (including homesteads) and who are paid with funds advanced by Secured Party.
3. **Conflicting Loan Papers:** This Security Agreement and all notes, guaranty agreements and all other loan documents, papers and instruments collectively constitute the evidence of Indebtedness owing to Secured Party and the rights and obligations of the parties hereto and are to be construed as supplemental to each other. To the extent that terms and conditions are inconsistent or in conflict with each other, the term or condition most favorable to Secured Party shall control over the less favorable and conflicting term or condition.
4. **Hazardous Substances:** Debtor represents and warrants that the Collateral never has been, and never will be, so long as this agreement remains a lien on the Collateral, used for the generation, manufacture, storage, treatment, disposal, release or threatened release of any hazardous waste or substance, as those terms are defined in the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as amended, 42 U.S.C. Section 9601, et seq. ("CERCLA"), the Superfund Amendments and Reauthorization Act of 1986, Pub. L. No. 99-499 ("SARA"), the Hazardous Materials Transportation Act, 49 U.S.C. Section 1801, et seq., the Resource Conservation and Recovery Act, 49 U.S.C. Section 6901, et seq., or other applicable state or federal laws, rules or regulations adopted pursuant to any of the foregoing. The representations and warranties contained herein are based on Debtor's due diligence in investigating the Collateral for hazardous waste. Debtor hereby (a) releases and waives any future claims against Secured Party for indemnity or contribution in the event Debtor becomes liable for cleanup or other costs under any such laws, and (b) agrees to indemnify and hold harmless Secured Party against any and all claims and losses resulting from a breach of this provision of this agreement. This obligation to indemnify shall survive the payment of the Indebtedness and the satisfaction of this agreement.
5. **Notice:** Unless otherwise provided herein, all notices, requests, consents and demands shall be in writing and shall be mailed, postage prepaid, to the addresses shown above in Paragraph A for the parties.
6. **Waiver of Right to Trial by Jury:** Debtor, and each Guarantor and Borrower, if any, and Bank each hereby agree not to elect a trial by jury of any issue triable of right by jury, and waive any right to trial by jury fully to the extent that any such right shall now or hereafter exist with regard to this Agreement, the Indebtedness, or any other loan document related thereto (the "Loan Documents") or any claim, counterclaim or other action or proceeding filed by any of them, whether in contract, tort or otherwise, relating directly or indirectly to any of the Loan Documents, the transactions related to or arising out of this Agreement or any alleged acts or omissions of Bank in connection therewith. This waiver of right to trial by jury is given knowingly and voluntarily by Debtor, and each Guarantor and Borrower, if any, and Bank, and is intended to encompass individually each instance and each issue as to which the right to a trial by jury would otherwise accrue. Each party is hereby authorized to file a copy of this paragraph in any proceeding as conclusive evidence of this waiver by Debtor, by Borrower, by a Guarantor and by Bank.
7. **Texas Law/Venue:** This Agreement and all other Loan Documents shall be construed under the laws of the State of Texas. Any proceeding arising from this Agreement or any other Loan Document shall be brought in a state or federal court situated in Travis County, Texas and each of the parties hereby consents to, and waives any objections to personal jurisdiction of, and venue in, such courts.

8. **Oral Agreements:** In addition to the other covenants made in loan agreements as defined in Section 26.02 of the Texas Business and Commerce Code, Secured Party and Debtor further agree as follows:

- (a) The rights and obligations of Debtor and Secured Party shall be determined solely from the written loan agreements, and any prior oral agreements between Secured Party and Debtor are superseded by and merged into the loan agreements.
- (b) The documents constituting the loan agreements may not be varied by any oral agreements or discussions that occur before, contemporaneous with, or subsequent to the execution of the loan agreements.

Executed to be effective as of the date first above written.

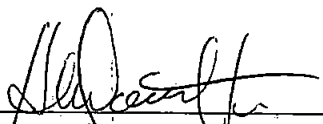
SECURED PARTY

DEBTOR

Prosperity Bank, a Texas banking association

Navarro County

By: _____
Derek Weaver, Banking Center President

By:  _____
HM Davenport, Jr., County Judge

LOAN DISCLOSURE

The term "written loan agreement" is defined in Section 26.02 of the Texas Business and Commerce Code, and the following notice is provided under said Section 26.02:

THIS WRITTEN LOAN AGREEMENT REPRESENTS THE FINAL AGREEMENT BETWEEN THE PARTIES AND MAY NOT BE CONTRADICTED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS OR SUBSEQUENT ORAL AGREEMENTS OF THE PARTIES.

THERE ARE NO UNWRITTEN ORAL AGREEMENTS BETWEEN THE PARTIES.

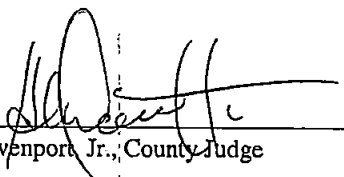
SECURED PARTY

DEBTOR

Prosperity Bank, a Texas banking association

Navarro County

By: _____
Derek Weaver, Banking Center President

By:  _____
HM Davenport, Jr., County Judge

#13

Dated November 23, 2020 Between Prosperity 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 November 23, 2020, 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 John Deere 6110M Utility Tractor with Tiger Mower RT50D (the "Equipment"), Lessee desires to finance the Equipment by entering into an Equipment Lease-Purchase Agreement with Prosperity Bank as Lessor and Navarro County as Lessee (the "Agreement") according to the terms set forth in the Proposal from Prosperity Bank dated November 23, 2020, presented at the board meeting; and the Equipment will be used by Lessee for the purpose of: Mowing the Right of Ways for 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:

Hershell M. Davenport, 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 Lease 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 2021 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
Secretary/Clerk of Lessee**

