

IN THE MATTER OF
BUDGET AMENDMENTS

Motion was made by Commissioner Mike Price and seconded by Commissioner Mike Fields approving amending the budget as follows: in the General County Fund for departmental expense move the computer payment to expenses from liability account, and move equipment payments to expense account from liability account for all four (4) precincts. (This does not involve new expenditures.) Motion carried unanimously.

IN THE MATTER OF
APPROVING OFFICIAL'S REPORTS

Motion was made by Commissioner Thomas E. Hockaday and seconded by Commissioner J. W. Terrell, Jr. approving the reports of the Texas Agricultural Extension Service agents. Motion carried unanimously.

IN THE MATTER OF
SIGNING PAY ORDERS AND
APPROVING PAYING BILLS

Motion was made by Commissioner Thomas E. Hockaday and seconded by Commissioner Mike Price approving paying bills and signing pay orders. Motion carried unanimously.

IN THE MATTER OF
RECESS

Motion was made by Commissioner Mike Price and seconded by Commissioner J. W. Terrell, Jr. to recess until Tuesday, March 23, 1993 at 8:15 A.M. Motion carried unanimously.

COMMISSIONERS' COURT
SPECIAL MEETING
MARCH 23, 1993
(RECESSED FROM MARCH 22, 1993)

BE IT REMEMBERED THAT THE TITUS COUNTY COMMISSIONERS' COURT met in Special Session on Tuesday, March 23, 1993 in the Titus County Courtroom with the following members present:

ALFORD L. FLANAGAN	COUNTY JUDGE
MIKE PRICE	COMMISSIONER PRECINCT 1
MIKE FIELDS	COMMISSIONER PRECINCT 2
J. W. TERRELL, JR.	COMMISSIONER PRECINCT 3
THOMAS E. HOCKADAY	COMMISSIONER PRECINCT 4
EUGENIA ROACH	COUNTY CLERK

ABSENT: NONE
and the following proceedings were had to wit:

IN THE MATTER OF
APPROVING FINANCIAL ADVISORY
SERVICES FOR TITUS COUNTY

Motion was made by Commissioner J. W. Terrell, Jr. and seconded by Commissioner Mike Price approving Masterson, Moreland, Sauer, Whism, Incorporated as Financial Advisor for the county. (One other bid was from Southwestern Securities, for the county to pay a higher rate to them.) Motion carried unanimously.

FINANCIAL ADVISORY CONTRACT

(Form of Agreement between Political Subdivision and Financial Advisor Covering Issuance of Securities. Based on Revised Municipal Advisory Council Form C-1.)

Date: March 22, 1993

To: Titus County, Texas
Mount Pleasant, Texas
Attn: Aford Flanagan, County Judge

Ladies and Gentlemen:

1. We understand that you are contemplating the issuance of securities for various capital improvement projects or capital acquisition programs, and that in connection with the issuance of these securities you desire this proposal from us to perform professional services in the capacity of Financial Advisor for Titus County, Texas (hereinafter called "Issuer").

2. By this proposal we offer our professional services and our facilities as Financial Advisor for the issuance and sale of the above-described securities, and in that capacity we agree to perform the following duties, and to perform such other duties, as, in our judgment, may be necessary or advisable:

- a. We will make a survey of the financial resources of the Issuer to determine the extent of its borrowing capacity. This survey will include an analysis of the existing debt structure as compared to existing and projected sources of income which may be pledged to secure payment of debt service, and where appropriate, will include a study of the trend of the assessed valuation of the Issuer, the Issuer's taxing power, and the present and estimated future taxing requirements.
- b. On the basis of the information developed by the survey described in the above and foregoing paragraph, and on the basis of other information and experience available to us, we will submit our written recommendations on the financing in question. Our plan will include recommendations as to the date of issue, interest payment dates, schedule of principal maturities, options of prior payment, and any other necessary additional security provisions designed to make the issue more attractive to investors. All recommendations will be based on our best professional judgement, with the goal of designing securities which can be sold under terms most advantageous to Issuer, and at the lowest interest cost consistent with all other considerations.
- c. We will advise you of current bond market conditions, forthcoming bond issues, and other general information and economic data which might normally be expected to influence the interest rates or bidding conditions, so that the date for the sale of the securities can be set at a time which, in our opinion, will be favorable.
- d. Under the direction of the bond attorneys, assist in coordinating the assembly and transmittal to the bond attorneys of such data as may be required for the preparation of the necessary petitions, orders, resolutions, notices and certificates in connection with the election.
- e. We will coordinate the preparation and submission of the Official Notice of Sale, the Official Statement or Offering Statement, and such other market documents which you may require. We will also supervise preparation of the uniform bid form, containing provisions recognized by the municipal securities industry as being consistent with the securities offered for sale. We will submit to you all such offering documents, including the Official Statement, for your proper examination, approval and certification. After such examination, approval and certification we will furnish you with a supply of such documents and shall mail a set of the same to a list of prospective bidders, a copy of which list shall be submitted to you upon request. We will also supply sufficient copies of the Official Statement or Offering Statement to the purchaser of the securities in accordance with the terms of the Notice of Sale.

- f. We will make recommendations to the Issuer on the matter of bond rating(s) for the proposed issue and when directed by you shall coordinate the preparation of such information as in our opinion is required for submission to the rating agency(ies). In those cases where the advisability of personal presentation of information to the bond rating agencies may be indicated, we will arrange for such personal presentation.
- g. If the securities are to be sold at public sale we will disseminate information to prospective bidders, we will organize such information meetings as in our judgment may be necessary, and will work with prospective bidders to assist them in timely submitting proper bids. We will assist you at the bond sale for the purpose of coordinating the receipt of bids, and the furnishing of good faith checks where indicated, and for the purpose of tabulation and comparison of bids, and will advise you as to the best bid, and will provide our recommendation as to acceptance or rejection of such bid. As soon as a bid for the bonds shall be accepted by you, we will proceed to coordinate the efforts of all concerned to the end that the bonds may be delivered and paid for as expeditiously as possible. We shall assist you in the preparation of verification of final closing figures, and when requested will provide suggestions on a program of temporary investment of bond proceeds, in consultation with the Issuer's architect or consulting engineer, consistent with the construction timetable for the project.
- h. We will act as your agent in arranging for the printing of the securities, and will submit same for execution and impression of seal, and we will attend to their delivery to the Attorney General for approval and the Comptroller of Public Accounts for registration, it being understood that title to and ownership of the printed securities shall be in the Issuer until they are sold and delivered to the purchaser.

After closing we will deliver to you and your paying agent(s) definitive debt records, including a schedule of annual debt service requirements on the obligations being delivered to the purchaser.

3. We agree to direct and coordinate the entire program of financing herein contemplated. In that connection we understand that you have retained or expect to retain _____, a firm of recognized municipal bond attorneys, who will prepare the proceedings and advise the steps necessary to be taken to issue the securities and who will issue an opinion approving their legality. We will maintain liaison with this firm of bond attorneys and shall assist in all financial advisory aspects involved in the preparation of appropriate legal proceedings and documents.

Where the issuance and sale of the securities, and construction of the project in question, requires the approval of any state or governmental agency, we shall assist you in the preparation of all financial information required for inclusion in applications for such approval, and when requested by you, shall appear on your behalf to provide appropriate testimony at public hearings before state and other governmental commissions and the boards. We will also be available to participate with you in any preliminary conferences with the staffs of any state or governmental agencies involved, and we will, for qualified projects, coordinate the preparation of financial assistance applications required for state involvement.

4. In consideration for the services rendered by us in connection with the issuance and sale of the above-described securities it is understood and agreed that our fee will be as shown in Schedule A and as follows:

In addition to our fee, the Issuer will be responsible for the expenses set forth below. In some cases, we may incur these expenses on your behalf, and you agree to reimburse us for such expenses.

- o Bond attorneys fee
- o Bond rating fees
- o Printing costs for Notice of Sale, Preliminary Official Statement, Official Statement, and Bonds; and
- o Other miscellaneous costs directly related to the sale of the Bonds.

We shall only incur expenses on your behalf after we have discussed such expenses with and received the oral approval of the County Auditor or County Judge.

Our fee and reimbursable expenses shall become due and payable simultaneously with the delivery of the securities to the purchaser. In the event the sale of securities to the purchaser does not occur, our reimbursable expenses shall become due and payable within 30 days after they are incurred by us.

5. In the event any bond election be necessary, if such elections shall fail, the fee due us shall be -0-; however, should the same or similar propositions again be submitted to election held within twelve (12) months from date hereof, then at our option the agreement covered by this proposal shall apply to any such securities.

6. If we are requested by the Titus County Commissioners Court to perform additional financial advisory services for the Issuer other than in connection with the issuance and sale of the securities, such additional services will be billed at the following rates:

Principals of the Firm	\$175.00
Officers of the Firm	125.00
Associates	60.00
Clerical	35.00

However, there shall be no charge for incidental advice provided to the Issuer.

7. It is further understood and agreed that we are hereby authorized to reserve the right to submit a bid for the securities when offered for sale, and we do reserve such right.

8. This agreement shall be for a term of 3 years and may be terminated at any time by either party by 30 days written notice.

9. This proposal is submitted in duplicate originals. When accepted by Issuer it will constitute the entire agreement between Issuer and the undersigned for the purpose and considerations herein specified. Your acceptance will be indicated by proper signatures of your authorized officers or representatives on both copies and the returning of one executed copy to us:

Respectfully submitted,

By: Timothy Merriweather

Title: Vice President

ACCEPTANCE

ACCEPTED pursuant to proposal adopted by Titus County, Texas on this 23rd day of March, 1993.

Robert L. Hansen
Title County Judge

ATTEST:

Eugenia Reach
Title County Clerk
(SEAL)

IN THE MATTER OF
ADJOURNMENT

Motion was made by Commissioner J. W. Terrell, Jr. and seconded by Commissioner Thomas E. Hockaday to adjourn. Motion carried unanimously.

The above and foregoing minutes for the month of March, 1993 were read and approved this 12th day of April, 1993.

Alford L. Flanagan
ALFORD L. FLANAGAN, COUNTY JUDGE

Mike Price
MIKE PRICE
COMMISSIONER PRECINCT #1

Mike Fields
MIKE FIELDS
COMMISSIONER PRECINCT #2

J. W. Terrell, Jr.
J. W. TERRELL, JR.
COMMISSIONER PRECINCT #3

Thomas E. Hockaday
THOMAS E. HOCKADAY
COMMISSIONER PRECINCT #4

Eugenia Roach
EUGENIA ROACH, COUNTY CLERK

COMMISSIONERS' COURT MINUTES FOR MARCH, 1993 A.D.
RECORDED ON THE 13th DAY OF APRIL, 1993 A.D.

EUGENIA ROACH
COUNTY CLERK, TITUS COUNTY, TEXAS

BY Jean Crover
DEPUTY COUNTY CLERK

COMMISSIONERS' COURT
REGULAR MEETING
APRIL 12, 1993

BE IT REMEMBERED THAT THE TITUS COUNTY COMMISSIONERS' COURT met in Regular Session on Monday, April 12th, 1993 in the Titus County Courtroom with the following members present:

ALFORD L. FLANAGAN
MIKE PRICE
MIKE FIELDS
J. W. TERRELL, JR.
THOMAS E. HOCKADAY
EUGENIA ROACH

COUNTY JUDGE
COMMISSIONER PRECINCT 1
COMMISSIONER PRECINCT 2
COMMISSIONER PRECINCT 3
COMMISSIONER PRECINCT 4
COUNTY CLERK

ABSENT: NONE
and the following proceedings were had to wit:

IN THE MATTER OF
LIFE INVESTOR'S CANCER INSURANCE

Motion was made by Commissioner Mike Price and seconded by Commissioner Mike Fields to allow Life Investor's Cancer Insurance to be deducted from the pay checks of those employees wanting to take the insurance. There must be over twenty (20) employees taking the insurance. Motion carried unanimously.

IN THE MATTER OF
HIRING BOND COUNCIL
FOR JAIL ADDITION

Motion was made by Commissioner J. W. Terrell, Jr. and seconded by Commissioner Mike Fields approving hiring Bickerstaff, Heath & Smiley, L.L.P. as bond council for the jail addition. Motion carried unanimously.

Bickerstaff, Heath & Smiley, L.L.P.

A REGISTERED LIMITED LIABILITY PARTNERSHIP

SAN JACINTO CENTER, SUITE 1800
98 SAN JACINTO BOULEVARD
AUSTIN, TEXAS 78701-4039

512/472-8021 FAX 512/370-9638

STEVE BICKERSTAFF	J. GREGORY HARRIS
C. RICHARD HATH	WILLIAM D. JAY
MARTHA L. SMILEY	JESUS M. LENTIS
THOMAS W. PULLEY	DEBORAH HEATH HILL
ANN CLARKE SNELL	SHANEY L. KIRK
ANDREW KEVER	KELLY A. ATKINSON
CAROLYN E. SNELLMAN	LARRY RAY SHERMAN
DOUGLAS O. CARSON	MARGO L. FRASER
LINDA AAKER	ANNE BENEFIELD
MYRA A. M. DANIEL	CAROLYN FISKE WRIGHT
SUBANG GENTE	KEVIN W. COLE
RODOLFO GENTY	MICHAEL SHADRENSKY
KATHI HEND	VALERIE P. KIRK
MANUEL O. MENDOZA	A. KENT McCULLOUGH
SYDNEY W. FALK, JR.	J. STEPHEN RAVEL
DAVID MENDOZA	GILBERT J. BERNAL, JR.
CATHERINE BROWN FRYER	DANIEL MICHEL S.
PATRICIA E. RANT	CHRIS VON DOHLEN

MARCO MUNOZ - OF COUNSEL**

*Board Certified Administrative Law
Texas Board of Legal Specialization
**Licensed in Mexico only

March 26, 1993

The Honorable Alford L. Flanagan
County Judge
Titus County Courthouse
West 1st & Jefferson Street
Mount Pleasant, TX 75455

RE: Proposed Issuance of Titus County, Texas Certificates of
Obligation

Dear Judge Flanagan:

The purpose of this letter is to set forth the role we propose to serve and the responsibilities we propose to assume as bond counsel in connection with the issuance of the above-referenced certificates of obligation (the "Bonds") by the Commissioners Court of Titus County, Texas (the "Issuer") for the purpose of an addition and improvements to the current county jail.

Bond counsel is engaged as a recognized expert whose primary responsibility is to render an objective legal opinion with respect to the authorization and issuance of bonds.

As bond counsel, we will: examine applicable law, prepare authorizing and operative documents, consult with the parties to the transaction prior to the issuance of the Bonds, review certified proceedings, and undertake such additional duties as we deem necessary to render the opinion.

Subject to the completion of proceedings to our satisfaction, we will render our opinion that:

- (1) the Bonds are valid and binding general obligations of the Issuer;
- (2) all taxable property in the territory of the Issuer is subject to ad valorem taxation without limitation as to rate or amount to pay the Bonds; and
- (3) the interest paid on the Bonds will be excluded from gross income for federal income tax purposes.

The Honorable Alford L. Flanagan
March 26, 1993
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The opinion will be executed and delivered by us in written form on the date the Bonds are exchanged for their purchase price (the "Closing") and will be based on facts and law existing as of its date. Upon delivery of the opinion, our responsibilities as bond counsel will be concluded with respect to this financing; specifically, but without implied limitation, we do not undertake (unless separately engaged) to provide continuing advice to the Issuer or any other party concerning any actions necessary to assure that interest paid on the Bonds will continue to be excluded from gross income for federal income tax purposes.

In rendering the opinion, we will rely upon the certified proceedings and other certifications of public officials and other persons furnished to us without undertaking to verify the same by independent investigation.

Your financial advisor will be responsible for the preparation of an Official Statement or any other disclosure document with respect to the Bonds. While we are not responsible for performing an independent investigation to determine the accuracy, completeness or sufficiency of any such document, our responsibility will include the preparation or review of any description therein of: (i) federal law pertinent to the validity of the Bonds and the tax treatment of interest paid thereon, (ii) the terms of the Bonds, and (iii) our opinion.

Based upon: (i) our current understanding of the terms, structure, size and schedule of the financing (which we currently understand to be approximately \$5.3 million), (ii) the duties we will undertake pursuant to this letter, (iii) the time we anticipate devoting to the financing, and (iv) the responsibilities we assume, our fee as bond counsel will be \$7500. Such fee may vary: (i) if the principal amount of the Bonds actually issued differs significantly from the amount stated above, (ii) if material changes in the structure of the financing occur, or (iii) if unusual or unforeseen circumstances arise which require a significant increase in our time or responsibility. At this time, we do not anticipate that there would be any major change that would alter this proposed fee. If, at any time, we believe that circumstances require an adjustment of our original fee estimate, we will consult with you. In addition, we will expect to be reimbursed for all out-of-pocket expenses, including photocopying, deliveries, long distance telephone charges, travel, filing fees and other necessary office disbursement. We estimate that such out-of-pocket expense will be in the range of \$2000 to \$3000.

Please remember, as Bond Counsel, we serve as counsel to the County as the Issuer. As part of the services we provide for the fee that we have described, we will attend a reasonable number of meetings of the Commissioners Court regarding the issuance of the bonds. As this matter involves financing of the county jail, we

The Honorable Alford L. Flanagan
March 26, 1993
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will attend meetings of the Jail Standards Commission to assist you in explaining the status of the financing if you request.

If the foregoing terms of this engagement are acceptable to you, please so indicate by signing both originals of this letter, retaining one original for your files, and returning one original to me. We look forward to working with you.

Respectfully submitted,

Thomas M. Pollan

Thomas M. Pollan

TMP:ea

AGREED AND ACCEPTED
this 12th day of April, 1993

TITUS COUNTY, TEXAS

By: *Alford L. Flanagan*
Alford L. Flanagan
County Judge

IN THE MATTER OF
APPOINTING SHERRY MARS
RESERVE DEPUTY CONSTABLE

Motion was made by Commissioner Mike Price and seconded by Commissioner Mike Fields approving appointing Sherry Mars as a Reserve Deputy Constable. Motion carried unanimously.

IN THE MATTER OF
APPROVING MINUTES OF MARCH, 1993

Motion was made by Commissioner Thomas E. Hockaday and seconded by Commissioner Mike Price approving the minutes for March, 1993. Motion carried unanimously.

IN THE MATTER OF
PAYING PAUPER'S FUNERAL
FOR L. D. SHINE

Motion was made by Commissioner J. W. Terrell, Jr. and seconded by Commissioner Mike Fields approving paying pauper's funeral to Tume Mortuary for L. D. Shine in the amount of \$950.00. Motion carried unanimously.

IN THE MATTER OF
RENEWING LEASE WITH TEXAS UTILITIES
ELECTRIC, PRECINCT 1

Motion was made by Commissioner Mike Price and seconded by Commissioner J. W. Terrell, Jr. approving renewing lease with Texas Utilities Electric in Precinct 1. Motion carried unanimously.

Area 421 B-2
Tracts 1217

THE STATE OF TEXAS :
COUNTY OF TITUS : LEASE AGREEMENT

This LEASE AGREEMENT made and entered into the ____ day of April, 1993, at Titus County, Texas, by and between TEXAS UTILITIES MINING COMPANY, as Lessor, and TITUS COUNTY, as Lessee.

1. LEASED PREMISES. Lessor hereby leases to Lessee, and Lessee hereby leases from Lessor, real property (hereinafter called "leased premises"), situated in Titus County, Texas, fully described on EXHIBIT "A" attached hereto and made a part hereof for all purposes.

2. PURPOSE OF LEASE. This lease is given for Lessee's use of dirt on the premises for the purpose of mixing road oil, asphalt, or other substances necessary to produce road paving materials.

3. RENT. Lessee agrees to pay Lessor, as rent for the leased premises, the sum of One Dollar (\$1.00) payable annually.

4. TERM. The initial term of this lease shall be for a period of one (1) year, beginning on April 7th, 1993, and ending on April 6, 1994. Lessee shall have an option to renew this lease for an additional one (1) year term, by giving written notice to the Lessor at least thirty (30) days prior to expiration of the initial term of his intent to renew the lease.

5. REPAIRS AND MAINTENANCE. Lessee shall maintain the leased premises in condition fit for their intended use, and it is specifically agreed between the parties that Lessee will maintain the premises in accordance with all applicable regulations of the Environmental Protection Agency, the Texas Water Commission, the Texas Railroad Commission, and any other federal, state or local agency which may issue regulations concerning this type of activity.

It is also agreed between the parties that Lessee will, upon termination of this lease, clean up the premises and remove any dirt, chemicals, or any other substance which may be required by the regulations of the Environmental Protection Agency, the Texas Water Commission, the Texas Railroad Commission, or any other federal, state or local agency. Any removal of any such substances shall be removed at the expense of Lessee. Lessee will hold Lessor harmless from any claims or actions which may arise by virtue of its activities on this property, which may later be

LEASE AGREEMENT
TUMCO/TITUS CTY - PAGE 1

found to be in violation of any regulations issued by the above named authorities.

6. DEFAULTS.

A. Default by Lessee. If Lessee shall allow the rent to be in arrears more than ten (10) days after written notice of such delinquency, or shall remain in default under any other condition of this lease for a period of ten (10) days after written notice from Lessor, or should any other person than Lessee secure possession of the premises or any part thereof, by reason of any operation of law, in any manner whatsoever, Lessor may, at his option, without notice to Lessee, terminate this lease, or in the alternative, Lessor may re-enter and take possession of the premises and remove all persons and property therefrom, without being deemed guilty of any manner of trespass. In addition, Lessee shall be in default if it does not maintain the premises in accordance with the regulations of those agencies listed in Section 5 of this agreement.

B. Default by Lessor. If Lessor defaults in the performance of any term, covenant, or condition required to be performed by him under this agreement, then Lessee may elect either one of the following:

- (1) After not less than ten (10) days' notice to Lessor, Lessee may remedy such default by any necessary action, and in connection with such remedy, may pay expenses and employ counsel; all sums expended or obligations incurred by Lessee in connection therewith shall be paid by Lessor to Lessee on demand, and on failure of such reimbursement, Lessee may, in addition to any other right or remedy that Lessee may have, deduct the costs and expenses thereof from rent subsequently becoming due hereunder; or
- (2) Elect to terminate this agreement on giving at least ten (10) days' notice to Lessor of such intention, thereby terminating this agreement on the date designated in such notice, unless Lessor shall have cured such default prior to the expiration of the ten (10) day period.

7. ASSIGNMENT AND SUBLEASE. Lessee shall not assign this lease, nor sublet all or any portion of the leased premises without the prior written consent of the Lessor.

8. MISCELLANEOUS

A. Notices and Addresses. All notices to be given hereunder shall be given by certified or registered mail, addressed to the

LEASE AGREEMENT
TUMCO/TITUS CTY - PAGE 2

proper party at the addresses shown with the signatures hereto.

B. Parties Bound. This agreement shall be binding upon and inure to the benefit of the parties hereof and their respective heirs, executors, administrators, legal representatives, successors and assigns, where permitted by this agreement.

C. Texas Law to Apply. This agreement shall be construed under and in accordance with the laws of the State of Texas, and shall be performable in the County where the property is located.

D. Prior Agreements Superceded. This agreement constitutes the sole and only agreement of the parties hereto, and supercedes any prior understanding, or written or oral agreements between the parties respecting the within subject matter.

E. Attorney's Fees. In the event Lessor or Lessee breaches any of the terms of this agreement, whereby the party not in default employs attorneys to protect or enforce its rights hereunder, and prevails, then the defaulting party agrees to pay reasonable attorney's fees incurred by the prevailing party.

EXECUTED IN DUPLICATE ORIGINALS on this the ____ day of _____, 1993.

Lessor:

TEXAS UTILITIES MINING COMPANY

By [Signature]
Title Monticello R/E Manager

P.O. Box 1255

Mt. Pleasant, Texas 75456-1255
Address

Lessee:

TITUS COUNTY

By [Signature]
Title Pct. 1 Commissioner

Titus County Courthouse

Mt. Pleasant, Texas 75455
Address

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IN THE MATTER OF
RENEWING LEASE WITH TEXAS UTILITIES
ELECTRIC, PRECINCT 2

Motion was made by Commissioner Mike Fields and seconded by Commissioner Thomas E. Hockaday approving renewing lease with Texas Utilities Electric in Precinct 2. Motion carried unanimously.

Area 421
Tract 502

THE STATE OF TEXAS :
COUNTY OF TITUS : LEASE AGREEMENT

This LEASE AGREEMENT made and entered into the 1st day of April, 1993, at Titus County, Texas, by and between TEXAS UTILITIES MINING COMPANY, as Lessor, and TITUS COUNTY, as Lessee.

1. LEASED PREMISES. Lessor hereby leases to Lessee, and Lessee hereby leases from Lessor, real property (hereinafter called "leased premises"), situated in Titus County, Texas, fully described on EXHIBIT "A" attached hereto and made a part hereof for all purposes.

2. PURPOSE OF LEASE. This lease is given for Lessee's use of dirt on the premises for the purpose of mixing road oil, asphalt, or other substances necessary to produce road paving materials.

3. RENT. Lessee agrees to pay Lessor, as rent for the leased premises, the sum of One Dollar (\$1.00) payable annually.

4. TERM. The initial term of this lease shall be for a period of one (1) year, beginning on April 1, 1993, and ending on March 31, 1994. Lessee shall have an option to renew this lease for an additional one (1) year term, by giving written notice to the Lessor at least thirty (30) days prior to expiration of the initial term of his intent to renew the lease.

5. REPAIRS AND MAINTENANCE. Lessee shall maintain the leased premises in condition fit for their intended use, and it is specifically agreed between the parties that Lessee will maintain the premises in accordance with all applicable regulations of the Environmental Protection Agency, the Texas Water Commission, the Texas Railroad Commission, and any other federal, state or local agency which may issue regulations concerning this type of activity.

It is also agreed between the parties that Lessee will, upon termination of this lease, clean up the premises and remove any dirt, chemicals, or any other substance which may be required by the regulations of the Environmental Protection Agency, the Texas Water Commission, the Texas Railroad Commission, or any other federal, state or local agency. Any removal of any such substances shall be removed at the expense of Lessee. Lessee will hold Lessor harmless from any claims or actions which may arise by virtue of its activities on this property, which may later be

found to be in violation of any regulations issued by the above named authorities.

6. DEFAULTS.

A. Default by Lessee. If Lessee shall allow the rent to be in arrears more than ten (10) days after written notice of such delinquency, or shall remain in default under any other condition of this lease for a period of ten (10) days after written notice from Lessor, or should any other person than Lessee secure possession of the premises or any part thereof, by reason of any operation of law, in any manner whatsoever, Lessor may, at his option, without notice to Lessee, terminate this lease, or in the alternative, Lessor may re-enter and take possession of the premises and remove all persons and property therefrom, without being deemed guilty of any manner of trespass. In addition, Lessee shall be in default if it does not maintain the premises in accordance with the regulations of those agencies listed in Section 5 of this agreement.

B. Default by Lessor. If Lessor defaults in the performance of any term, covenant, or condition required to be performed by him under this agreement, then Lessee may elect either one of the following:

- (1) After not less than ten (10) days' notice to Lessor, Lessee may remedy such default by any necessary action, and in connection with such remedy, may pay expenses and employ counsel; all sums expended or obligations incurred by Lessee in connection therewith shall be paid by Lessor to Lessee on demand, and on failure of such reimbursement, Lessee may, in addition to any other right or remedy that Lessee may have, deduct the costs and expenses thereof from rent subsequently becoming due hereunder; or
- (2) Elect to terminate this agreement on giving at least ten (10) days' notice to Lessor of such intention, thereby terminating this agreement on the date designated in such notice, unless Lessor shall have cured such default prior to the expiration of the ten (10) day period.

7. ASSIGNMENT AND SUBLEASE. Lessee shall not assign this lease, nor sublet all or any portion of the leased premises without the prior written consent of the Lessor.

8. MISCELLANEOUS

A. Notices and Addresses. All notices to be given hereunder shall be given by certified or registered mail, addressed to the

proper party at the addresses shown with the signatures hereto.

B. Parties Bound. This agreement shall be binding upon and inure to the benefit of the parties hereof and their respective heirs, executors, administrators, legal representatives, successors and assigns, where permitted by this agreement.

C. Texas Law to Apply. This agreement shall be construed under and in accordance with the laws of the State of Texas, and shall be performable in the County where the property is located.

D. Prior Agreements Superseded. This agreement constitutes the sole and only agreement of the parties hereto, and supercedes any prior understanding, or written or oral agreements between the parties respecting the within subject matter.

E. Attorney's Fees. In the event Lessor or Lessee breaches any of the terms of this agreement, whereby the party not in default employs attorneys to protect or enforce its rights hereunder, and prevails, then the defaulting party agrees to pay reasonable attorney's fees incurred by the prevailing party.

EXECUTED IN DUPLICATE ORIGINALS on this the ____ day of _____, 1993.

Lessor:

TEXAS UTILITIES MINING COMPANY

By

LL
Title Monticello R/E Manager

P.O. Box 1255

Mt. Pleasant, TX 75456-1255
Address

Lessee:

TITUS COUNTY

By

Mike Fuld
Title County Commissioner - Prec. 2

Rt. 3, Box 9380

Mt. Pleasant, TX 75455
Address

LEASE AGREEMENT
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IN THE MATTER OF
BUDGET AMENDMENT

No action was taken.

IN THE MATTER OF
APPROVING OFFICIAL'S REPORTS

Motion was made by Commissioner Mike Price and seconded by Commissioner Thomas E. Hockaday approving the following official's reports: Justice of The Peace, Precinct 1; Tax Assessor, Treasurer, Veterans Service Officer, Nortex Fire Department; Five Star Volunteer Fire Department and Cookville Fire Department. Motion carried unanimously.