

**COMMISSIONERS' COURT  
REGULAR MEETING  
DECEMBER 8th, 1997**

BE IT REMEMBERED THAT THE TITUS COUNTY COMMISSIONERS' COURT met in *REGULAR SESSION* on Monday, December 8, 1997, in the Titus County Courtroom with the following members present:

DANNY P. CROOKS.....COUNTY JUDGE  
MIKE PRICE.....COMMISSIONER PRECINCT 1  
MIKE FIELDS.....COMMISSIONER PRECINCT 2  
BILLY J. THOMPSON.....COMMISSIONER PRECINCT 3  
THOMAS E. HOCKADAY.....COMMISSIONER PRECINCT 4  
JEAN CROVER.....DEPUTY COUNTY CLERK

**ABSENT: NONE**

**PUBLIC AND COUNTY OFFICIALS ATTENDING MEETING**

CARL JOHNSON, AUDITOR  
TIM TAYLOR, COUNTY ATTORNEY  
CYNTHIA AGAN, COUNTY TREASURER  
JOAN DUNCAN, CHIEF DEPUTY COUNTY CLERK  
DELANA HOCHAN, DEPUTY COUNTY CLERK  
DENA TEAL, DEPUTY COUNTY CLERK

JEFF TURNER	ROBERT RUSSELL
DAVID GRAVES	STEVE AGAN
JAKE NARRAMORE	NORMA NARRAMORE
ELMER PATTON	PHILLIP CROMWELL
JOHN PAYNE	

Invocation was given by Commissioner Mike Fields.

IN THE MATTER OF  
OPENING & CONSIDERING LAW ENFORCEMENT  
LIABILITY INSURANCE

County Auditor, Carl Johnson said, "Titus County has never carried any liability insurance for law enforcement officers. We asked the insurance companies to give us a bid on obtaining this type of coverage. We normally cover all our insurance needs in July. However, this year we felt we needed to add law enforcement liability and went out for bids on it."

Bids were received from Capps Insurance for \$30,800.00 and from Texas Association Of Counties for \$29,588.00.

Motion was made by Commissioner Mike Fields and seconded by Commissioner Billy J. Thompson to approve the lowest bid from Texas Association Of Counties for \$29,588.00. Motion carried unanimously. *SEE ATTACHMENT "A"*

IN THE MATTER OF  
CONSIDERING APPROVING PURCHASE  
OR LEASE ON NEW COMPUTER SYSTEM

Mr. David Graves, Neta Data representative spoke to the Court regarding the lease of new computer system for the County.

Motion was made by Commissioner Mike Fields and seconded by Commissioner Billy J. Thompson to approve a two year lease with Neta Data with IBM products. Motion carried unanimously. *SEE ATTACHMENT "B"*

IN THE MATTER OF  
APPROVING SOUTHWESTERN BELL TELEPHONE COMPANY  
BURYING CABLE ALONG AND UNDER SW-37 PRECINCT 2

Motion was made by Commissioner Mike Fields and seconded by Commissioner Mike Price to approve Southwestern Bell Telephone Company burying cable along and under SW-37 in Precinct 2 with the exception to bore under the road and driveways. Motion carried unanimously. *SEE ATTACHMENT "C"*

IN THE MATTER OF  
APPROVING NOVEMBER 1997 MINUTES

Motion was made by Commissioner Mike Price and seconded by Commissioner Billy J. Thompson to approve November 1997 Minutes with the correction in November 10 Minutes showing Commissioner Billy J. Thompson voted against the matter of County Clerk charging ten cents for Commissioners' Court Minutes. Motion carried unanimously.

IN THE MATTER OF  
CONSIDERING RENEWAL OF LEASE AGREEMENTS  
IN PRECINCT 1 AND PRECINCT 2 FOR 1998

Motion was made by Commissioner Mike Fields and seconded by Commissioner Mike Price to approve renewing lease with Muary and Dana Buford and Texas Utilities Mining Company in Precinct 2. Motion carried unanimously. *SEE ATTACHMENT "D" & "E"*

Motion was made by Commissioner Mike Price and seconded by Commissioner Thomas E. Hockaday to approve renewing lease with Telzie McCoo in Precinct 1. Motion carried unanimously. *SEE ATTACHMENT "F"*

IN THE MATTER OF  
APPROVING PAYMENT OF PAUPER'S FUNERAL

Motion was made by Commissioner Mike Fields and seconded by Commissioner Thomas E. Hockaday to pay to Turner Brother's Funeral Home \$950.00 for a pauper's funeral. Motion carried unanimously. *SEE ATTACHMENT "G"*

IN THE MATTER OF  
BUDGET AMENDMENTS

Motion was made by Commissioner Billy J. Thompson and seconded by Commissioner Mike Fields to approve budget amendments 1 through 3 for 1998 Budget. These amendments can be seen in the County Auditors office. Motion carried unanimously.

IN THE MATTER OF  
APPROVING COUNTY OFFICIAL REPORTS

Motion was made by Commissioner Mike Price and seconded by Commissioner Thomas E. Hockaday to approve reports Tax Assessor-Collector, District Clerk, County Clerk, Justice of Peace, Precinct 2, Five Star Volunteer Fire Department, Nortex Volunteer Fire Department, Tri-Lakes Volunteer Fire Department and Talco Volunteer Fire Department. Motion carried unanimously.

IN THE MATTER OF  
SIGNING PAY ORDERS AND PAYING BILLS

Motion was made by Commissioner Mike Price and seconded by Commissioner Thomas E. Hockaday to sign pay orders and pay bills. Motion carried unanimously.

IN THE MATTER OF  
HEARING PHILLIP CROMWELL REGARDING  
CONSOLIDATION OF VOTING BOXES

Mr. Phillip Cromwell set out his objections as found in a letter addressed to Commissioners' Court on consolidation of August and November Elections. Then he asked for a motion to have his letter made a part of the Commissioners' Court.

A representative of the County Clerk's Office responded that a letter had been mailed to the Justice Department to correct the pre clearance for the August and November Election by the CountyClerk.

Judge Crooks requested a motion three times. Hearing none, no action was taken on Mr. Cromwell's request.

Mr. Cromwell objected to the Courts handling of this matter.

Mr. Elmer Patton voiced his objections to a mass transit system for Mt. Pleasant, Texas.



Mrs. Norma Narramore voiced her objections for all 19 voting places being consolidated for the past two elections.

Commissioner Mike Fields and Commissioner Billy J. Thompson responded with reassurance that they would vote to leave all boxes open in future elections.

IN THE MATTER OF  
ADJOURNMENT

Motion was made by Commissioner Thomas E. Hockaday and seconded by Commissioner Mike Fields to adjourn. Motion carried unanimously.

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**The above and foregoing minutes for the month of  
NOVEMBER, 1997 were read and approved this 8th day  
of DECEMBER, 1997.**

Danny P. Crooks  
DANNY P. CROOKS, COUNTY JUDGE

Mike Price  
MIKE PRICE, COMMISSIONER PRECINCT # 1

Mike Fields  
MIKE FIELDS, COMMISSIONER PRECINCT # 2

Billy J. Thompson  
BILLY J. THOMPSON, COMMISSIONER PRECINCT # 3

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

Sherry Mars  
SHERRY MARS, COUNTY CLERK

**COMMISSIONERS' COURT MINUTES FOR NOVEMBER, 1997 A.D.  
RECORDED ON THE 9TH DAY OF DECEMBER, 1997 A.D.**

SHERRY MARS, COUNTY CLERK,  
TITUS COUNTY, TEXAS

By Jean Bauer DEPUTY COUNTY CLERK

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TEXAS ASSOCIATION OF COUNTIES

TITUS COUNTY

December 5, 1997

**ADDENDUM TO  
OVERALL PROPOSAL**

TAC can only offer \$2,000,000 limits of liability for the Law Enforcement Liability coverage.

TEXAS ASSOCIATION OF COUNTIES

TITUS COUNTY

December 5, 1997

ADDENDUM TO  
LAW ENFORCEMENT LIABILITY PROPOSAL

Punitive Damages endorsement may be included as an additional coverage as follows:

- Or
- Additional contribution of \$2,690 with \$1,000,000 limits within the policy limits.
  - Additional contribution of \$5,380 with \$1,000,000 limits in addition to policy limits.

TEXAS ASSOCIATION OF COUNTIES  
COUNTY GOVERNMENT RISK MANAGEMENT FUND  
LAW ENFORCEMENT LIABILITY  
CLAIMS MADE FORM  
PROPOSALMember Name: Titus County  
Contract No.: 2250Proposal Date: 12/05/97  
Proposed Effective Date: 01/01/1998 12:01 AM  
Proposed Expiration Date: 01/01/1999 12:01 AM  
Deductible: \$10,000  
Retroactive Date: 01/01/98  
Notes:

Coverage	Limit	Annual Contribution
Basic Coverage	\$ 2,000,000 Per Occurrence and Aggregate	\$ 26,898

SUBJECT TO RECEIPT AND ACCEPTANCE BY THE TAC SELF-INSURANCE FUND OF ORIGINAL FULLY COMPLETED SIGNED AND DATED TAC APPLICATION FORM, INTERLOCAL AGREEMENT, PROPOSAL ACCEPTANCE FORM AND FULL DISCLOSURE TO AND ACCEPTANCE BY THE FUND OF ALL LOSSES AND ANY SITUATION THAT COULD RESULT IN A POSSIBLE CLAIM.

Beth Brown  
Signature of TAC OfficialTotal Annual Contribution: \$ 26,898  
December 1, 1997  
Date

## COVERAGE ACCEPTANCE

The Member elects: Basic Coverage ☒Optional Coverages: Punitive Damages ☒Other ☐Alan P. Clark  
Signature and Title of Accepting OfficialDecember 8, 1997  
Coverage Effective DateAlan P. Clark  
Insurance CoordinatorDecember 8, 1997  
Date of Signature

This acceptance not valid unless received by the TAC office not later than 60 days from the proposal date shown above, unless extension is granted by TAC.

Bid

## INSURANCE PROPOSAL

**PREPARED FOR:**

Titus County  
100 West First  
Mt. Pleasant, Tx. 75455

Capps Insurance Agency  
P.O. Box 1618  
Mt. Pleasant, Tx. 75456

**STEVEN M. CAPPS, CERTIFIED INSURANCE COUNSELOR  
LICENSED RISK MANAGER  
JEFF TURNER, LOCAL RECORDING AGENT  
(903) 572-4366**

**Disclaimer - The abbreviated outlines of coverage used throughout this proposal are not intended to express any legal opinion as to the nature of coverage. They are only visuals to a basic understanding of coverage. Please read your policy for specific details of coverage.**

## Law Enforcement Officers' Liability Policy

### Law Enforcement Officers' Liability Policy

The Law Enforcement Officers' Liability policy will pay all sums the insured legally must pay as damages because of personal injury or property damage to which this insurance applies, causes by an occurrence resulting from law enforcement activities. This includes governmental action directed toward the prevention and control of crime in the course of public employment.

The Law Enforcement Officers' Liability policy is written on a **claims made** policy form. The claims-made policy form only covers claims made against the insured during the policy term. A claim made after the policy expires is not covered by a claims-made policy unless the claim is covered by an **extended reporting period**.

### Basic Extended Reporting Period (Basic Tail)

This coverage is provided automatically with an additional premium charge if coverage is canceled, not renewed, or the insurer renews with a later retroactive date. The basic extended reporting period starts at the end of the policy period and last for 60 days.

### Supplemental Extended Reporting Period (Supplemental Tail)

The supplemental extended reporting period is available under the same circumstances as the basic one and can be extended one or two years. However, it becomes effective only if the named insured makes a written request within 30 days after termination of the policy period and the additional premium is paid. The additional premium will be determined according to the companies rules and rates but will not exceed 200% of the annual premium. The supplemental extended begins when the basic one ends, and it continues for one to two years. Once in effect, the Extended Reporting Periods may not be cancelled.

### Retroactive Date

The retroactive date shown in the policy declarations is the same as the inception date, or the retroactive date can be a date prior to the inception date. A policy can also be written with no retroactive date.

**Who Is Insured**

The person or organization shown as the named insured on the declaration page of the policy.

The law enforcement agency shown on the declaration page of the policy and its law enforcement officers. This includes heirs, executors, administrators, assigns and legal representatives in the event of their death, incapacity or bankruptcy.

The political entity or subdivision that the law enforcement agency is a part, department or bureau and its public officials.

All other employees and authorized volunteers of the law enforcement agency.

No persons or organizations is an insured with respect to the conduct of any partnership, joint venture, multijurisdictional penal institutions that is not shown as a named insured in the declarations.

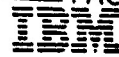
**Limits of Coverage:**

**Recommended**

1,000,000	Limit of Liability
10,000	Entity Deductible
0	Per Director Deductible

**Total Law Enforcement Liability Premium \$30,800**





Credit Corporation

1605 LBJ FRWY  
DALLAS TX 75234  
972-280-4667

November 20, 1997

CARL JOHNSON  
Titus County  
105 W 1st  
Mt Pleasant, TX 75455-4454Subject : IBM Credit Lease Approval - VALID THROUGH 11/29/97  
Reference: Star Data Systems Inc DbA Sirius Computer, Deal I504557

Thank you for selecting the IBM Credit Corporation as your financing source. As a valued Customer, we would like to let you know that the following conditions need to be satisfied prior to executing your lease:

CHECKLIST ITEMS	DATE SENT	REQUIRED BY	TO BE RECEIVED FROM	DATE RECEIVED	APPROVED BY IBM CREDIT
Term Lease Master Agreement	11-20-97	11-29-97	Titus County		
Term Lease Supplement	11-20-97	11-29-97	Titus County		
Addendum to Supplement	11-20-97	11-29-97	Titus County		
Certificate of Acceptance	11-20-97	11-30-97	Titus County		
Serial Numbers		11-30-97	Star Data Systems		
Invoices		11-30-97	Star Data Systems		

Please return all required items to my attention at the address above. As soon as all of the above required items have been received and approved by the IBM Credit Corporation, your lease will begin and payment will be generated to Star Data Systems Inc DbA Sirius Computer.

If you have any questions, please don't hesitate to contact me at 1-800-426-3889.

Regards,

TIM LUIKEN  
Associate Financial Marketing Advisor

Attachment:

cc: MARIA LOPEZ  
Star Data Systems Inc DbA Sirius Computer  
888 Isom Rd  
San Antonio, TX 78216-4000

IBM Credit Corporation

White Plains, New York

## Term Lease Master Agreement

Name and Address of Lessee: TITUS COUNTY  
105 W 1ST  
STE 101  
MT PLEASANT, TX 75455-4454

Agreement No.: 577L034

IBM Branch Office No.: P22

IBM Branch Office Address: IBM CREDIT CORPORATION  
1605 LBJ FRWY  
DALLAS, TX 75234  
ATTN: RCF DEPT. 577

IBM Customer No.: 8944888

The Lessor under this Term Lease Master Agreement ("Agreement") is a) IBM Credit Corporation, a subsidiary of International Business Machines Corporation ("IBM"); b) a partnership in which IBM Credit Corporation is a partner; or c) a business enterprise for which IBM Credit Corporation is acting as agent ("Lessor"). The "Lessee" is the business entity indicated on the signature line below. Any Parent, Subsidiary or Affiliate of Lessee may enter into a Lease and/or Financing Transaction (each as defined below) under this Agreement by signing a Term Lease Supplement ("Supplement") referencing this Agreement and so will be bound to the terms and conditions of this Agreement as Lessee. For the purposes of this Agreement, "Parent" shall mean a business entity that owns or controls a majority interest of Lessee; "Subsidiary" shall mean a business entity a majority interest of which is owned or controlled by Lessee; and "Affiliate" shall mean a business entity under common majority control with Lessee. A Lease or Financing Transaction under this Agreement shall be effective when a Supplement listing equipment to be leased ("Equipment") and software program licenses, maintenance, services, and other one-time charges to be financed ("Financed Items") is signed by both parties. Equipment includes any internal programming that is integral to the Equipment's functioning ("Licensed Internal Code"). Lessee may acquire Equipment and Financed Items from IBM, Lessor, or any other manufacturer, vendor or provider ("Lessee's Supplier"). The terms of (a) the Supplement; (b) any applicable attachments; and (c) this Agreement, each as may be amended by addenda, shall constitute the lease for the Equipment ("Lease") and Financing Transaction for the Financed Items ("Financing Transaction") listed in the applicable Supplement. Some Leases or Financing Transactions may have additional terms that will be specified in attachments or addenda. Terms in a Supplement and related attachments or addenda will apply only to the Lease and/or Financing Transaction represented by that Supplement. The headings of the Paragraphs are inserted for convenience only.

1. **OPTIONS.** Each Supplement shall constitute a single Lease and/or Financing Transaction but for each line item listed there will be a Lease or Financing Transaction option indicated. The various options are described in the "Option Codes" table on the Supplement.

2. **CREDIT REVIEW.** For each Lease or Financing Transaction, Lessee consents to a reasonable credit review by Lessor.

3. **AGREEMENT TERM.** This Agreement shall be effective when signed by both parties and may be terminated by either party upon one (1) month prior written notice. Each Lease or Financing Transaction then in effect, however, shall remain subject to the terms and conditions of this Agreement until its expiration or termination.

4. **LESSOR CHANGES.** Lessor may, with at least three (3) months prior written notice to Lessee, change the terms of this Agreement. Such changes will apply only to Leases and Financing Transactions that begin after the effective date specified in the notice, and only if Lessee does not notify Lessor that it does not agree to the changes.

5. **SURVIVAL OF OBLIGATIONS.** Lessor's and Lessee's obligations under this Agreement, which by their nature would continue beyond the expiration or termination of a Lease or Financing Transaction, will survive the expiration or termination of a Lease or Financing Transaction.

6. **SELECTION AND USE OF EQUIPMENT, PROGRAMMING AND LICENSED PROGRAM MATERIALS.** Lessee agrees that it did not rely on the Lessor, nor is the Lessor responsible, for the selection, use of, and results obtained from the Equipment or Financed Items. Nothing in this

Agreement is intended to limit any rights Lessee may have with respect to Lessee's Supplier or the Equipment manufacturer.

7. **ASSIGNMENT TO LESSOR.** Lessee assigns to Lessor, effective upon Lessor signing the Supplement, its right to purchase from and its obligation to pay its Supplier. All other rights and obligations as defined in the agreement between Lessee and Lessee's Supplier governing the purchase of the Equipment ("Purchase Agreement") shall remain with Lessee. Lessee represents that it has reviewed and approved the Purchase Agreement. Lessor will not modify or rescind the Purchase Agreement.

8. **LEASE NOT CANCELLABLE; LESSEE'S OBLIGATIONS ABSOLUTE.** Once the Term of any Lease or Financing Transaction has begun, as described in Paragraphs 13 and 14, Lessee's commitments hereunder become irrevocable and independent of acceptance of the Equipment. Lessee's obligation to pay all Rent and other amounts required to be paid by Lessee under this Agreement is absolute and unconditional and shall not be affected by any right of set-off or defense of any kind whatsoever, including any failure of the Equipment or a Financed Item to perform, or any representations by Lessee's Supplier. Lessee shall make any claim solely against Lessee's Supplier, the Equipment manufacturer or other third party if the Equipment or a Financed Item is unsatisfactory for any reason.

9. **WARRANTIES.** Lessor passes through to Lessee, to the extent permitted, all applicable warranties made available by Lessee's Sup-

THIS AGREEMENT, AND ANY APPLICABLE SUPPLEMENT, ATTACHMENTS OR ADDENDA ARE THE COMPLETE AND EXCLUSIVE STATEMENT OF THE AGREEMENT REGARDING EACH LEASE OR FINANCING TRANSACTION. THESE DOCUMENTS SUPERSEDE ANY PRIOR ORAL OR WRITTEN COMMUNICATIONS BETWEEN THE PARTIES. IF THERE IS A CONFLICT OF TERMS AMONG THE DOCUMENTS, THE ORDER OF PRECEDENCE WILL BE AS FOLLOWS: (a) ATTACHMENTS OR ADDENDA TO A SUPPLEMENT, (b) SUPPLEMENT, (c) ATTACHMENTS OR ADDENDA TO THIS AGREEMENT, (d) THIS AGREEMENT. DELIVERY OF AN EXECUTED COPY OF ANY OF THESE DOCUMENTS BY FACSIMILE OR ANY OTHER RELIABLE MEANS SHALL BE DEEMED TO BE AS EFFECTIVE FOR ALL PURPOSES AS DELIVERY OF A MANUALLY EXECUTED COPY. LESSEE ACKNOWLEDGES THAT LESSOR MAY MAINTAIN A COPY OF THESE DOCUMENTS IN ELECTRONIC FORM AND AGREES THAT A COPY REPRODUCED FROM SUCH ELECTRONIC FORM OR ANY OTHER RELIABLE MEANS (FOR EXAMPLE, PHOTOCOPY, IMAGE OR FACSIMILE) SHALL IN ALL RESPECTS BE CONSIDERED EQUIVALENT TO AN ORIGINAL. IF INDICATED HERE, THE FOLLOWING ATTACHMENTS SHALL APPLY TO AND BE INCORPORATED BY REFERENCE IN THIS AGREEMENT:

Accepted by:

IBM Credit Corporation

By: \_\_\_\_\_  
Authorized Signature

Name (Type or Print)

Date

2125-3218-08 1/87

Lessee may not modify or change the terms of this Agreement without the Lessor's prior written consent.

Lessee initial

Lessee: TITUS COUNTY

By: Danny P. Crooks  
Authorized Signature

Name (Type or Print)

DEC-06, 1997  
Date

plier and/or by the Equipment manufacturer in the Purchase Agreement. Lessor represents and warrants that neither Lessor, nor anyone acting or claiming through Lessor, by assignment or otherwise, will interfere with Lessee's quiet enjoyment of the Equipment so long as no event of default by Lessee or anyone acting or claiming through Lessee shall have occurred and be continuing. During the Term of the Lease, Lessor assigns to Lessee all the rights that Lessor may have to be defended by Lessee's Supplier and/or by the Equipment manufacturer under any patent and copyright provisions in the Purchase Agreement. EXCEPT AS EXPRESSLY PROVIDED ABOVE, LESSOR MAKES NO WARRANTY, EXPRESS OR IMPLIED, AS TO ANY MATTER WHATSOEVER, INCLUDING, BUT NOT LIMITED TO, THE IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE. AS TO LESSOR, LESSEE LEASES THE EQUIPMENT AND TAKES ANY FINANCED ITEM "AS IS". IN NO EVENT SHALL LESSOR HAVE ANY LIABILITY FOR, NOR SHALL LESSEE HAVE ANY REMEDY AGAINST LESSOR FOR, CONSEQUENTIAL DAMAGES, ANY LOSS OF PROFITS OR SAVINGS, LOSS OF USE, OR ANY OTHER COMMERCIAL LOSS. This shall in no way affect Lessee's rights and remedies against Lessee's Supplier and/or the Equipment manufacturer.

10. **LESSEE AUTHORIZATION.** Lessee is authorized to act on Lessor's behalf concerning delivery and installation of the Equipment and any warranty service for the Equipment, including any programming services. Lessor represents and warrants that it has the right to grant the authorization and rights to Lessee referred to in this Paragraph.

11. **DELIVERY AND INSTALLATION.** Lessee is responsible for the delivery, installation and acceptance of the Equipment and any Financed Item and shall pay any delivery and installation charges not paid by Lessee's Supplier. Lessor shall not be liable for any delay in, or failure of, delivery of the Equipment or Financed Items unless provided by Lessor.

12. **USED EQUIPMENT LEASES.** For used Equipment supplied by Lessor, the following provisions apply: The Equipment is subject to prior disposition at any time prior to Lessor's acceptance of a signed Supplement. The Equipment is provided "as is", without any warranty whatsoever by Lessor, in accordance with Paragraph 9. However, provided that the Equipment is unmodified since the date of delivery; has been manufactured and assembled by or for IBM; and has been installed and maintained by IBM, Lessor guarantees Lessee's satisfaction with the quality of the Equipment for three (3) months following the "Release Date" indicated on the face of the Supplement. If Lessee is dissatisfied with the Equipment for any reason, Lessee may notify Lessor within three (3) months of the Release Date and, at Lessor's option, the Equipment will either be (a) replaced with equivalent Equipment or (b) returned to Lessor and the Lease terminated and any Rent payments made to Lessor refunded to Lessee. If Lessee cancels its commitment to Lease the Equipment after Lessor signs the applicable Supplement but before the Equipment is delivered and accepted by Lessee, then Lessee shall be liable to Lessor for three (3) months Rent as liquidated damages. Lessor shall bear the risk of loss or damage to the Equipment during transit from the pick-up location to Lessee's location, provided the Equipment is transported by a carrier designated by Lessor.

13. **RENT COMMENCEMENT DATE.** Unless otherwise stated on the applicable Supplement, the Rent Commencement Date shall be (a) for Equipment supplied by IBM, the day following the date of installation of the Equipment as provided for in the Purchase Agreement; (b) for Equipment supplied by Lessor, the earlier of the date of installation or fourteen (14) days after the Release Date as specified in the Supplement; (c) for Equipment supplied by Lessee's Supplier, the date Lessee designates on a certificate of acceptance; or, (d) for Financed items, the date Lessor makes funds available to Lessee or Lessee's Supplier.

14. **LEASE TERM.** The Lease or Financing Transaction shall be effective when the Supplement is signed by both parties. The initial Term of the Lease or Financing Transaction shall begin on the Rent Commencement Date and shall expire at the end of the number of months specified as "Term" in the Supplement. Except for Equipment supplied by Lessor, if Lessee cancels its order with Lessee's Supplier prior to installation or discontinues any Financed item prior to the date Lessor makes funds available, the Lease or Financing Transaction with respect to that item shall terminate without penalty.

15. **RATE PROTECTION.** The Rates stated on the Supplement are not subject to change provided the Supplement is signed and returned to Lessor by the date indicated on the Supplement and the Equipment is installed by the end of the month of the Estimated Commencement Date stated on the Supplement.

16. **RENT.** During the initial Term, Lessor shall invoice and Lessee shall pay Rent for each Payment Period as specified in the Supplement. Lessee's obligation to pay shall begin on the Rent Commencement Date. When the Rent Commencement Date is not on the first day of a calendar month and/or when the initial Term does not expire on the last day of a calendar month, the applicable Rent for the first and last payment will be prorated on the basis of 30-day months.

17. **RENEWAL.** Lessee may, upon at least one (1) month prior written notice to Lessor, renew the Lease with respect to any line item of

Equipment, provided Lessee is not then in default. Lessor shall offer a renewal Term of one (1) year but may, if requested, offer different renewal Terms. For Equipment line items with a fair market value end-of-Lease renewal option, the renewal Rent shall be the projected fair market rental value of the Equipment as of the commencement of such renewal Term. For Equipment line items with a pre-stated end-of-Lease renewal option, the renewal Rent shall be one-half of the pre-stated Purchase Price multiplied by the Unit Purchase Price stated in the Supplement and such renewal Rent payments will be annual and payable in advance.

18. **PURCHASE OF EQUIPMENT.** Lessee may, upon at least one (1) month prior written notice to Lessor, purchase any line item of Equipment upon expiration of the Lease provided Lessee is not then in default. For Equipment line items with a fair market value end-of-Lease purchase option, the purchase price shall be the projected fair market sales value of the Equipment as of such expiration date. For Equipment line items with a pre-stated purchase option, the purchase price shall be specified in the Supplement. If the Lessee purchases any Equipment, Lessee shall, on or before the date of purchase, pay (a) the purchase price, (b) any applicable taxes, (c) all Rent due through the day preceding the date of purchase, and (d) any other amounts due under the Lease. Lessor shall, on the date of purchase, transfer to Lessee by bill of sale provided upon Lessee's request, without recourse or warranty of any kind, express or implied, all of Lessor's right, title and interest in and to such Equipment on an "AS IS, WHERE IS" basis, except that Lessor shall warrant title free and clear of all liens and encumbrances created by or through Lessor.

19. **OPTIONAL EXTENSION.** If, at the expiration of the Term, Lessee has not elected to renew the Lease, purchase or return the Equipment in accordance with Paragraph 25, and as long as Lessee is not in default under the Lease, the Lease will be extended for each unreturned item of Equipment unless (a) Lessee notifies Lessor in writing, not less than one (1) month prior to Lease expiration, that Lessee does not want the extension, or (b) the Equipment is returned to and received by Lessor within fourteen (14) days after the expiration of the Term. The extension will be under the same terms and conditions then in effect, including current Rent (but for Equipment line items with a fair market value purchase option, not less than fair market rental value as determined by Lessor at the expiration of the Term) and will continue on a day-to-day basis until the expiration of termination by either party upon one (1) month prior written notice, or six (6) years after expiration of the initial Term. For purposes of this Paragraph, current Rent shall be calculated as the sum of the Lease payments over the initial Term divided by the initial Term of the Lease.

20. **INSPECTION; MARKING; FINANCING STATEMENT.** Upon reasonable advance request, Lessee agrees to allow Lessor to inspect the Equipment and its maintenance records during Lessee's normal business hours, subject to Lessee's reasonable security procedures. Lessee will affix to the Equipment any identifying labels supplied by Lessor indicating ownership. The filing of any Uniform Commercial Code financing statements in connection with a Lease or Financing Transaction shall be governed by the terms and conditions of the applicable Supplement and any Supplement addendum.

21. **EQUIPMENT USE.** Lessee agrees that Equipment will be used for business purposes and not primarily for personal, family or household purposes and that it will be used in accordance with applicable laws and regulations.

22. **MAINTENANCE.** Lessee shall, at its expense, on its own or through third parties, keep the Equipment in a suitable environment as specified by the Equipment manufacturer, and in good condition and working order, ordinary wear and tear excepted.

23. **ALTERATIONS; MODIFICATIONS; PARTS.** For the purposes of this Agreement, a "Part" is any component or element of the Equipment; a "Modification" is any upgrade, feature or other change to the Equipment which is or has been offered for sale by the Equipment manufacturer and which contains no Part which has been changed or altered since its original manufacture; an "Alteration" is any change to the Equipment which is not a Modification. Lessee may modify or alter the Equipment only upon prior written notice to Lessor. Lessee may obtain new or used Alterations or Modifications from any supplier and may finance them with sources other than Lessor provided no security interest is created that encumbers or conflicts with Lessor's ownership of the Equipment. Any Lessor-owned Parts that Lessee removes shall remain Lessor's property and Lessee shall not make such Parts available for sale, transfer, exchange or other disposition without Lessor's prior written consent.

Before returning the Equipment to Lessor, Lessee agrees to remove any Alteration and may remove any Modification not owned by Lessor. If removed, Lessee agrees to, at its expense, restore the Equipment to its original condition using the removed Parts, normal wear and tear excepted. If Lessor had previously consented to the disposition of removed Parts, the restoration must be with Parts Lessor owns or supplies, or those supplied by a source approved by Lessor. If not removed, such Modifications shall become the property of Lessor, without charge, free of any liens or encumbrances.

Changes or additions made to items of Equipment in connection with maintenance or warranty services, including engineering changes, utilizing manufacturer's genuine parts, are exempt from the terms of this Paragraph, and any Parts installed in connection with such services shall become the property of Lessor.

**24. LEASES FOR MODIFICATIONS.** At Lessee's request, and subject to satisfactory credit review, Lessor will lease or finance new Modifications, used Modifications from Lessor's inventory, and Financed Items associated with the Modifications. Leases for Modifications will be at then current terms and conditions and must be coterminous with the underlying Equipment Lease.

**25. RETURN OF EQUIPMENT.** Lessee will return the Equipment to Lessor upon expiration or termination of the Lease. Upon return, the Equipment must be in good condition and working order, normal wear and tear excepted and qualified for the manufacturer's maintenance service, if available. Lessee will return the Equipment to the nearest IBM Credit consolidation and refurbishment center for that type of Equipment located in the contiguous United States. Unless otherwise agreed, Lessee is responsible for: a) deinstallation, packing and return of the Equipment and any associated costs; and b) any cost to qualify the Equipment for the manufacturer's maintenance service, or, if not available, the cost to return the Equipment to good working condition. The return of the Equipment shall constitute a full release by Lessee of any leasehold rights or possessory interest in the Equipment.

**26. CASUALTY INSURANCE, LOSS OR DAMAGE.** Lessor will maintain, at its own expense, insurance covering loss of or damage to the Equipment (excluding any Modifications or Alterations not subject to a Lease under this Agreement) with a \$5,000 deductible per occurrence. If any item of Equipment shall be lost, stolen, destroyed or irreparably damaged for any cause whatsoever ("Casualty Loss") before the Rent Commencement Date, the Lease with respect to that item shall terminate. If any item of Equipment suffers Casualty Loss, or shall be otherwise damaged, on or after the Rent Commencement Date, Lessee shall promptly inform Lessor. To claim a Casualty Loss Lessee must file a police or fire department report or other appropriate documentation substantiating the Casualty Loss. If Lessor determines that the item can be economically repaired, Lessee shall place the item in good condition and working order and Lessor will promptly reimburse Lessee the reasonable cost of such repair, less the deductible. If not so repairable, Lessee shall pay Lessor the lesser of \$5,000 or the fair market sales value of the Equipment immediately prior to the Casualty Loss. Upon Lessor's receipt of payment the Lease with respect to that item shall terminate and Lessee's obligation to pay Rent for the Equipment will be deemed to have ceased as of the date of the Casualty Loss. For purposes of this Paragraph, Lessor will consider the manufacturer's charge for such repair to be the reasonable cost of repair.

**27. TAXES.** Lessee shall promptly reimburse Lessor, as additional Rent, for all taxes, charges, and fees levied by any governmental body or agency upon or in connection with this Agreement, excluding, however, all taxes on or measured by the net income of Lessor.

**28. LESSOR'S PAYMENT.** If Lessee fails to pay taxes as required under this Agreement, discharge any liens or encumbrances on the Equipment (other than those created by or through Lessor), or otherwise fails to perform any other provision Lessee is required to perform under this Agreement, Lessor shall have the right to act in Lessee's stead so as to protect Lessor's interests, in which case, Lessee shall pay Lessor the cost thereof.

**29. TAX INDEMNIFICATION.** Solely for Leases entered into on the basis that Lessor is the owner of the Equipment for tax purposes, Lessor and Lessee agree that Lessor shall be entitled to certain federal and state tax benefits available to an owner of Equipment, including, under the Internal Revenue Code of 1986, as amended (the "Code"), the maximum Modified Accelerated Cost Recovery System deductions for 5-year property and deductions for interest expense incurred to finance the purchase of the Equipment ("Tax Benefits"). Lessee represents and warrants that (a) at no time will Lessee take or omit to take any action which would result in a loss, reduction, disallowance, recapture or other unavailability ("Loss") to Lessor (or the consolidated group with which Lessor files tax returns) of the Tax Benefits, and (b) Lessee will take no position inconsistent with the assumption that Lessor is the owner of the Equipment for federal income tax purposes. Upon Lessor's written notice to Lessee that a Loss of Tax Benefits has occurred, Lessee shall reimburse Lessor an amount that shall make Lessor's after-tax rate of return and cash flows ("Financial Returns") over the Term of the Lease equal to the expected Financial Returns that would have been otherwise available. Lessee shall have no obligation to reimburse Lessor for a Loss of Tax Benefits resulting from (i) a determination that a Lease does not constitute a true lease for federal income tax purposes, provided such determination is not the result of an act of Lessee, or (ii) a change in the tax law after the applicable Rent Commencement Date.

**30. GENERAL INDEMNITY.** Each Lease under this Agreement is a net lease. Lessee indemnifies Lessor against any third party claims whatsoever which arise in connection with this Agreement or Lessee's possession and use of the Equipment or a Financed Item hereunder in-

cluding all related reasonable costs and expenses, and legal fees incurred by Lessor. Lessee shall not be liable for any claim resulting from the sole negligence or willful misconduct of Lessor. Lessee agrees that upon written notice by Lessor of the assertion of any claim, Lessee shall assume full responsibility for the defense of such claim. Lessor shall cooperate as may be reasonably required in such defense.

**31. LIABILITY INSURANCE.** Lessee shall obtain and maintain commercial general liability insurance, in the amount of at least \$1,000,000 or more for each occurrence, with an insurer having a "Best Policyholders" rating of B+ or better. The policy shall name Lessor as an additional insured as Lessor's interests may appear and shall contain a clause requiring the insurer to give Lessor at least one (1) month prior written notice of the cancellation, or any material alteration in the terms of the policy. Lessee shall furnish to Lessor, upon request, evidence that such insurance coverage is in effect.

**32. SUBLEASE AND RELOCATION OF EQUIPMENT; ASSIGNMENT BY LESSEE.** Upon one (1) month prior written notice to Lessor, Lessee may relocate the Equipment to another of its business locations provided that Lessee remains the end user of the Equipment. Any other relocation requires Lessor's prior written consent. Upon Lessor's prior written consent, which will not be unreasonably withheld, Lessee may sublease the Equipment to another end user. No sublease or relocation shall relieve Lessee of its obligations under the Lease and Lessee will be responsible for all costs and expenses associated with any relocation or sublease of the Equipment, including additional taxes or any Tax Loss incurred by Lessor. In no event shall Lessee remove or allow the Equipment to be removed from the United States. Lessee shall not assign, transfer or otherwise dispose of any Lease or Financing Transaction, any Equipment, or any interest therein, or create or suffer any levy, lien or encumbrance thereof except those created by or through Lessor.

**33. ASSIGNMENT BY LESSOR.** Lessee acknowledges and understands that the terms and conditions of the Leases and Financing Transactions have been fixed to enable Lessor to sell and assign its interest or grant a security interest or interests in the Leases and Financing Transactions and the Equipment, individually or together, in whole or in part, for the purpose of securing loans to Lessor or otherwise. Lessee shall not assert against any such assignee any setoff, defense or counterclaim that Lessee may have against Lessor or any other person. Lessor shall not be relieved of its obligations hereunder as a result of any such assignment unless Lessee expressly consents thereto, nor shall any rights or obligations of Lessee be changed except as described herein.

**34. FINANCING.** Any one-time charge (indicated on the Supplement as the "Amount Financed") for a Financed Item will be paid by Lessor to Lessee's Supplier or directly to Lessee. Any other charges which may be owed or due to Lessee's Supplier shall be paid directly to Lessee's Supplier by Lessee. Lessee's obligation to pay Rent for the Financed Item shall not be affected by any discontinuance, return or destruction of any Financed Item on or after the date Lessor makes funds available. If Lessee discontinues any of the Financed Items in accordance with the terms of the applicable agreement with Lessee's Supplier prior to the date Lessor makes funds available, then the Financing Transaction with respect to the affected one-time charge shall be cancelled.

**35. FINANCING PREPAYMENT (Does Not Apply For Items of Equipment).** Lessee may terminate a Financing Transaction (but not a Lease with respect to an item of Equipment) by prepaying its remaining Rent. Lessee shall provide Lessor with at least one (1) month prior written notice of the intended prepayment date. Lessor may, depending on market conditions at the time, reduce the remaining Rent to reflect such prepayment and shall advise the Lessee of the balance to be paid. If prior to Lease expiration, Lessee purchases Equipment on Lease or if a Lease is terminated, Lessee shall at the same time prepay any related line items of Financing Transactions.

**36. DELINQUENT PAYMENTS.** If any amount to be paid to Lessor is not paid on or before its due date, Lessee shall pay Lessor two percent (2%) of the unpaid amount for each month or part thereof from the due date until the date paid or, if less, the maximum allowed by law.

**37. DEFAULT; NO WAIVER.** Lessee shall be in default under this Agreement upon the occurrence of any of the following events: (a) Lessee fails to pay any amount when due under this Agreement and such failure shall continue for a period of seven (7) days after the due date; (b) Lessee subleases, relocates, assigns or makes any transfer in violation of the terms of this Agreement; (c) Lessee fails to perform any other obligations or violates any of its covenants or representations under a Lease or Financing Transaction, or Lessee fails to perform any of its obligations under any other agreement it may have with Lessor, and such failure or breach shall continue for a period of fifteen (15) days after written notice is received by Lessee from Lessor; (d) Lessee or any guarantor of Lessee's obligations under this Agreement makes a misrepresentation in any application for credit or other financial data required to be provided by Lessee in connection with a Lease or Financing Transaction; (e) Lessee or a guarantor makes an assignment for the benefit of creditors, or consents to the appointment of a trustee

or receiver, or if either shall be appointed for Lessee or a guarantor or for a substantial part of its property without its consent: (f) any petition or proceeding is filed by or against Lessee or a guarantor under any Federal or State bankruptcy or insolvency code or similar law, and if such petition is involuntary, it is not dismissed within sixty (60) days after filing thereof; (g) Lessee or a guarantor sells or disposes of all or substantially all of its assets (and Lessor does not consent to the same) or ceases doing business; or (h) a guarantor or the provider of any other credit enhancement under this Agreement breaches, terminates without Lessor's consent or contests any guaranty or other credit enhancement document of which Lessor is a beneficiary.

Lessor shall be in default under this Agreement upon the occurrence of any of the following events: (i) Lessor breaches Lessee's right of quiet enjoyment (except in an instance where Lessee is in default under the applicable Lease or Financing Transaction), and Lessor is unable to remedy such breach within fifteen (15) days of Lessee's written notice to Lessor thereof; (ii) Lessor fails to perform any other provisions or violates any of its covenants or representations under a Lease or Financing Transaction and such failure or breach shall continue for a period of fifteen (15) days after written notice is received by Lessor from Lessee; (iii) Lessor makes an assignment for the benefit of creditors, or consents to the appointment of a trustee or receiver, or if either shall be appointed for Lessor or for a substantial part of its property without its consent; or (iv) any petition or proceeding is filed by or against Lessor under any Federal or State bankruptcy or insolvency code or similar law and, if such petition is involuntary, it is not dismissed within sixty (60) days after filing thereof.

Any failure of either party to require strict performance by the other party or any waiver by either party of any provision in a Lease, Financing Transaction or this Agreement shall not be construed as a consent or waiver of any other breach of the same or of any other provision.

**38. REMEDIES.** If Lessee is in default under this Agreement, all amounts due and to become due under each Lease and Financing Transaction shall be immediately due and payable, without further notice from Lessor, and Lessor shall have the right, in its sole discretion, to exercise any one or more of the following remedies in order to protect its interests, reasonably expected profits and economic benefits under this Agreement. Lessor may (a) declare any Lease or Financing Transaction entered into pursuant to this Agreement to be in default; (b) terminate in whole or in part any Lease or Financing Transaction; (c) recover from Lessee any and all amounts then due and to become due; (d) take possession of any or all items of Equipment, wherever located, without demand or notice, without any court order or other process of law, in accordance with Lessee's reasonable security procedures; and (e) demand that Lessee return any or all such items of Equipment to Lessor in accordance with Paragraph 25 and, for each day that Lessee shall fail to return any item of Equipment, Lessor may demand an amount equal to the current Rent, prorated on the basis of a 30-day month. Upon repossession or return of any item of Equipment, Lessor shall sell, lease or otherwise dispose of such item in a commercially reasonable manner, with or without notice and on public or private bid, and apply the net proceeds thereof towards the amounts due under the Lease but only after deducting (i) in the case of sale, the estimated fair market sales value of such item as of the scheduled expiration of the Lease; or (ii) in the case of any replacement lease, the rent due for any period beyond the scheduled expiration of the Lease for such item; and (iii) in either case, all reasonable and necessary expenses, including reasonable legal fees, incurred in connection therewith. Any excess net proceeds are to be retained by Lessor. Lessor may pursue any other remedy available at law or in equity. No right or remedy is exclusive of any other provided herein or permitted by law or equity; all

such rights and remedies shall be cumulative and may be enforced concurrently or individually.

If Lessor is in default under this Agreement, Lessee's exclusive and sole remedy shall be (x) to terminate the applicable Lease or Financing Transaction and return the applicable items of Equipment to Lessor; and (y) to recover damages arising out of such default from Lessor, and all reasonable and necessary expenses, including reasonable legal fees, incurred in connection therewith.

**39. LESSOR'S EXPENSE.** Lessee shall pay Lessor all reasonable costs and expenses, including reasonable legal and collection fees, incurred by Lessor in enforcing the terms, conditions or provisions of this Agreement.

**40. OWNERSHIP; PERSONAL PROPERTY; LICENSED PROGRAM MATERIALS.** The Equipment under Lease is and shall be the property of Lessor. Lessee shall have no right, title or interest therein except as set forth in the Lease. The Equipment is, and shall at all times be and remain, personal property and shall not become a fixture or realty. Licensed programs that Lessee acquires and finances with Lessor remain the property of their licensor. Ownership of licensed programs is governed by the license agreement between the licensor and Lessee, and is not affected by this Agreement.

**41. NOTICES; ADMINISTRATION.** Service of all notices under the Agreement shall be sufficient if delivered personally or mailed to Lessee at its address specified in the Supplement or to IBM Credit Corporation as Lessor in care of the IBM location specified in the Supplement or invoice. Notices by mail will be effective on receipt or three (3) days after being deposited in the United States mail, duly addressed and with postage prepaid, whichever is earlier. Notices of default will be sent certified mail, or registered mail, or delivered in person and will be effective when received by the party. Notices, consents and approvals from or by Lessor will be given by the party or on its behalf by IBM and all payments will be made to IBM until Lessor notifies Lessee otherwise.

**42. LESSEE REPRESENTATION.** Lessee represents and warrants that, as of the date it enters into any Lease or Financing Transaction under this Agreement: (a) Lessee is a legal entity, duly organized, validly existing and in good standing under the laws of the jurisdiction of its organization and in each jurisdiction where Equipment and Financed Items will be located, with full power to enter into this Agreement and any transactions contemplated herein; (b) this Agreement and any Lease or Financing Transaction hereunder have been duly authorized and executed by Lessee and constitute valid, legal and binding agreements, enforceable by Lessee of its obligations under this Agreement and any Lease or Financing Transaction will not violate any judgment, order, law or governmental regulation affecting Lessee or any provision of Lessee's documents of organization, or result in a breach or default of any instrument or agreement to which Lessee is a party or to which Lessee may be bound.

**43. GENERAL.** Lessee agrees to take such further action and to execute such additional documents, instruments and financing statements as Lessor shall reasonably request to complete any Lease or Financing Transaction under this Agreement or to protect Lessor's interest in the Equipment or Financed Items.

This Agreement may be executed in any number of counterparts, each of which shall constitute an original, but all of which together shall constitute but one and the same document.

**44. APPLICABLE LAW; SEVERABILITY.** This Agreement will be governed by and construed in accordance with the laws of the State of New York. If any provision of this Agreement is held to be invalid or unenforceable, all other provisions shall remain in effect.

IBM Credit Corporation

White Plains, New York 10604

# **Term Lease Master Agreement Attachment for State & Local Government**

Name and Address of Lessee: **TITUS COUNTY**  
105 W 1ST  
STE 101  
MT PLEASANT, TX 75455-4454

Agreement No.: 577L034

Branch Office No.: P22

Branch Office Address: **IBM CREDIT CORPORATION**  
1605 LBJ FRWY  
DALLAS, TX 75234

Customer No.: 8944988

These terms and conditions modify those in the IBM Credit Term Lease Master Agreement and cover any Equipment and Financed Item(s) obtained by State and Local Governments and their political subdivisions as defined under Section 103 of the Internal Revenue Code of 1986, as amended. This attachment is incorporated by reference into the Term Lease Master Agreement executed by Lessee.

The following paragraphs are deleted in their entirety - 28, 36, 39 and 42.

Paragraph 8 - **LEASE NOT CANCELLABLE; LESSEE'S OBLIGATIONS ABSOLUTE** - add the following at the end of paragraph:

"Lessee agrees to duly request the appropriation of funds for all payment amounts specified in the Supplement. If the funds Lessee requests for a fiscal year are not appropriated, Lessee will not be obligated to pay amounts due beyond the end of the last funded fiscal year. If a nonappropriation of this kind occurs, Lessee will promptly notify Lessor, the Lease and/or Financing Transaction will terminate at the end of the last fiscal year for which funds were appropriated and Lessee will not be in default. Lessee may retain the Equipment and/or Financed Items for a reasonable period of time beyond the termination and at a monthly charge, determined by Lessor. At the conclusion of such period of time, Lessor will remove the Equipment and/or Financed Items from Lessee's location and retain all sums paid as partial payment for their use and depreciation."

Paragraph 17 - **RENEWAL** - after the second sentence add the following:

"Lessee may renew the Lease with respect to a line item of Equipment with a fair market value purchase option one or more times but any renewal term may not extend beyond five (5) years from the date of installation of the Equipment."

Paragraph 18 - **PURCHASE OF EQUIPMENT** - at the end of the paragraph add the following:

"Lessee may also purchase any line item of Equipment with one dollar (\$1) end-of-lease purchase option prior to the expiration of the Lease. Lessee must notify Lessor of Lessee's intent to purchase at least one (1) month prior to Lease expiration. The effective date of purchase must be at least one (1) month following the date of Lessee's notice to Lessor. If the date of purchase is:

a. before the second anniversary of the Rent Commencement Date, the purchase price will be determined by multiplying the Unit Purchase Price stated on the Supplement by the applicable Purchase Option Percent for the second anniversary plus all Rent due through the second anniversary date;

b. on the second anniversary date or on any subsequent anniversary date, the purchase price will be determined by multiplying the Unit Purchase Price by the Purchase Option Percent;

c. after the second but between anniversary dates, the purchase price will be prorated between the prior anniversary purchase price and the upcoming anniversary purchase price.

The applicable Purchase Option Percents are stated in the Customer Bulletin "G Prime Purchase Option Codes" (2125-4113) which is available upon request.

Paragraph 19 - **OPTIONAL EXTENSION** - replace the second sentence with the following:

"The extension will be under the same terms and conditions then in effect, including current Rent (but for Equipment line items with a fair market value purchase option, not less than fair market rental value as determined by Lessor at the expiration of the Term) and will continue on a day-to-day basis until the earlier of termination by either party upon one (1) month prior written notice or five (5) years from the date of installation of the Equipment."

Paragraph 20 - **INSPECTION; MARKING; FINANCING STATEMENTS** - delete the last sentence and add the following to the end of the paragraph:

"Any provisions relating to signing financing statements or a power of attorney regarding the same, that may be contained in the Supplement are hereby deleted in their entirety."

Paragraph 26 - **CASUALTY INSURANCE; LOSS OR DAMAGE** - at the end of the paragraph add the following:

"Notwithstanding the above, Lessor hereby waives the \$5000 deductible for a Casualty Loss as provided for in this paragraph."

Paragraph 27 - **TAXES** - replace the entire paragraph with the following:

"All taxes on or measured by the net income of Lessor, any taxes arising under the Purchase Agreement, and any property taxes shall be for the account of Lessor. All other taxes of any description attendant to transactions under a Lease or Financing Transaction shall be for the account of Lessee, either by reimbursement of Lessor, or, at Lessor's request, directly paid by Lessee to the taxing authority."

Paragraph 30 - **GENERAL INDEMNITY** - replace the entire paragraph with the following:

"All Leases under this Agreement shall be strictly net leases. Consequently unless specifically provided otherwise in this Agreement or a Lease hereunder, claims, costs and expenses of any description arising out of this Agreement shall be for the sole account of Lessee, except that Lessor shall bear responsibility, to the extent of its fault, for claims for personal injury or real and tangible personal property damage caused by Lessor's negligence."

Paragraph 37 - **DEFAULT** - subsection (g) is deleted in its entirety.

Paragraph 43 - **GENERAL** - delete the first sentence.

Paragraph 43 - **APPLICABLE LAW; SEVERABILITY** - replace the first sentence with the following:

"Lessee's state laws shall govern this Agreement and any Leases and Financing Transactions hereunder."





# **TERM LEASE SUPPLEMENT** Additional Terms and Conditions

Supp. No.: D00405268

## **OPTION CODES**

- B Lease with fair market value end-of-lease options and Lessor is owner for tax purposes
- B+ Lease with fair market value end-of-lease options for tax exempt Lessees
- C Lease with fair market value end-of-lease options for tax exempt Lessees
- G Lease with one dollar (\$1) end-of-lease purchase option and tax exempt interest for tax exempt Lessees
- BS Lease with one dollar (\$1) end-of-lease purchase option
- L Lease for used equipment options for tax exempt Lessees
- LG Lease for used equipment options for tax exempt Lessees
- S Financing of IBM One-Time Charges with tax exempt interest for tax exempt Lessees
- T Financing of IBM One-Time Charges with tax exempt interest for tax exempt Lessees
- T+ Financing of other one-time charges with tax exempt interest for tax exempt Lessees

## **TERM CODES**

- CO Continuous Lease - The Term for this Equipment shall expire at the same time as the Term for an associated item of Equipment.
- FM Fair market sales value at end-of-lease NA Not Applicable
- CL Contract IBM Credit for purchase price \$1 Purchase price is one dollar (\$1.00)
- Number Prestated purchase percent - Purchase price will be the Unit Purchase Price times this percent.
- G Purchase Option Codes are specified in Customer Bulletin "G Prime Purchase Option Codes" (2105-4113) which is available on request.

## **INTEREST RATE**

The Interest Rate, if stated, is the Annual Percentage Rate (APR) for the transaction. In no event will the Interest Rate for the transaction exceed the stated interest rate.

## **RATE PROTECTION**

The Rates stated on the Supplement are not subject to change provided the Supplement is signed and returned to Lessor by the date indicated on the face of the Supplement and (if applicable) the Equipment is installed or a signed certificate of acceptance ("COA") is received by the end of the month of the Estimated Commencement Date stated on the Supplement.

## **LEASE EXTENSIONS**

For Equipment designated as "Base Extension", this Supplement supersedes the prior Lease for this Equipment and incorporates the terms of the Term Lease Master Agreement effective for this Supplement, which terms may differ from those governing the superseded Lease.

## **SUPPLEMENT OPTIONS**

When indicated on the face of the Supplement, the following terms and conditions shall apply to transactions indicated in this Supplement.

## **\* INTEREST RENT**

Notwithstanding Paragraphs 13, 15 and 16 of the Agreement, the Rent Commencement Date shall be the first day of the first full Payment Period following the date that would otherwise constitute the Rent Commencement Date under Paragraph 13. Lessee shall pay interest Parts from the date Rent Commencement Date until the date of the first full Payment Period. Such interest Rent shall be prorated based on the length of the Payment Period, that is 30 days for monthly, 90 days for quarterly, 182 days for semi-annually or 365 days for annually.

## **\* PAYMENT IN ADVANCE**

Rent will be due on the first day of each Payment Period and (except for the invoice for the first Payment Period) will be invoiced one month before its due date. The invoice for any initial Payment Period and the first full Payment Period will be issued on the first day of the first full Payment Period following the date of installation.

## **\* PAYMENT IN ARREARS**

Rent will be invoiced in advance as of the first day of each Payment Period and will be due on the day following the last day of the Payment Period.

## **\* SECURITY DEPOSIT**

As a condition to Lessee entering into the transactions indicated in the Supplement, Lessee has granted Lessor a security deposit in the amount indicated on the face of this Supplement, to secure Lessee's payment obligations hereunder. Lessor may apply any portion of the

## **Security Deposit**

security deposit against any payment default and shall hold the security deposit until Lessee's obligations under the Agreement are satisfied in full.

## **TAX EXEMPT REQUIREMENTS (For Options G, S and T)**

Lessee represents that Lessee qualifies as a State or political subdivision of a State for purposes of Section 103(a) of the Code. Any misrepresentation of Lessee's status under Section 103(a) is an event of default under the Agreement. Lessee shall comply with all other requirements for tax exempt status under Section 103(a) and Lessee shall maintain the requirements of Code Section 148(e) and Lessee shall comply with all other requirements for tax exempt status under Section 148(e). Lessee shall pay Lessor or Lessor's agent the amount of any tax liability incurred by Lessee, that will return to Lessor the economic results Lessee would have received if Lessee had not used the above IRS form on a timely basis; or

1. Lessee does not file the above IRS form on a timely basis; or
2. IRS rules Lessee does not qualify under Section 103(a) of the Code

## **AUTHORITY TO SIGN FINANCING STATEMENTS**

Lessee authorizes Lessor or its agent as attorney in fact for the limited purpose of executing in Lessee's name and filing any Uniform Commercial Code financing statements or similar documents covering the Equipment. Such authorization shall not constitute a general power of attorney from Lessee, shall be narrowly construed, and shall not be effective for any purpose other than to execute UCC-1 filings relating to the Equipment listed on this Supplement. However, Lessor will not prepare, execute or file the financing statements or similar documents for Option B, G, or LG.

## **LEASE AGREEMENT AMENDMENT**

The following terms and conditions only apply to Term Lease Master Agreements signed prior to January 1997.

## **\* TERM**

The initial Term of the Lease or Financing transaction shall begin on the Rent Commencement Date and shall expire at the end of the number of months specified as "Term" in the Supplement.

## **\* OPTIONAL EXTENSION**

For purposes of the Optional Extension paragraph in the Agreement, the Rent shall be calculated as the sum of the Lease payments over the initial Term divided by the initial Term of the Lease, but for Options B, B+ or L, not less than fair market rental value.

## **\* TERMS FOR USED EQUIPMENT**

This Equipment is provided without any warranty by Lessor, in accordance with Paragraph 9. It is subject to prior disposition at any time prior to Lessor's signature on the Supplement. Rent Commencement Date shall be the date of installation or 14 days after Release Date. Lessee shall pay to Lessor a 3 month Rent as liquidated damages is required if Lessee cancels its Lease prior to Lessor's signature on the Supplement. Lessee shall pay to Lessor as soon as practicable if the Equipment is delivered to Lessee. Lease expiration notice shall be as soon as practicable if the IBM and IBM installs and maintains the Equipment. Lessee may exercise the Lessor's quality satisfaction guarantee within 90 days of the Release Date. At Lessor's option, the Equipment will either be replaced with equivalent Equipment or returned to Lessor and the Lease terminated with any Rent payments made to Lessor refunded.

## **\* TERMS FOR NON-IBM EQUIPMENT AND FOR EQUIPMENT NOT SOURCED FROM IBM**

Notwithstanding anything to the contrary in the Agreement, for purpose of this Supplement, Lessee's Supplier shall be the party with whom Lessee has contracted to purchase Equipment, license program materials or acquire services leased or financed herein. Any occurrence of "or Effective Date for Additional License" in the Agreement are deleted. Any reference to "Estimated Shipment Date" shall mean "Estimated Commencement Date". The Rent Commencement Date shall be the date Lessee designates on the COA. Any terms and conditions applicable to Option B shall also apply to Options B+ and L. Lessee shall return the Equipment in good condition and working order, wear and tear excepted and qualified for the manufacturer's approved maintenance service. Should Lessee elect to alter or modify the Equipment, any Lessor-owned Parts that Lessee removes shall remain Lessor's property and Lessee is not permitted to make such Parts available for sale, transfer, exchange or other disposition without Lessor's prior written consent. If Lessor consents to a disposition of the removed Parts, the restoration must be with parts Lessor owns or supplies, or those supplied by a source approved by Lessor.



IBM CREDIT CORPORATION

1133 Westchester Ave  
White Plains, NY 10604  
914/642-3000ADDENDUM TO TERM LEASE SUPPLEMENT  
STATE AND LOCAL GOVERNMENT

Enterprise No. 8866427

Term Lease Master Agreement No. 577L034

Customer No. 8944988

Supplement No. D00405268

Lessor and TITUS COUNTY (Lessee) agree that for the purposes of the referenced Supplement only, the Term Lease Master Agreement (State and Local Government) between the parties is hereby modified as follows:

- Paragraph 6 - Full Term Intention; Appropriation of Funds - at the end of the paragraph add the following:

"If Lessee, in good faith, determines that an item of Equipment designated below is excess to its need, Lessee may terminate the Lease for the Equipment provided that:

- a) no event of default shall have occurred and be continuing;
- b) 12 monthly rents have become due and have been paid;
- c) Lessee has provided Lessor with 3 months prior written notice of its intent to terminate;
- d) Lessee pays Lessor all amounts due and payable to the date of termination, plus a termination charge and any taxes, charges and fees which arise on or before the date of termination;
- e) Lessee pays a termination charge on the date of termination for the Equipment equal to The Unit Purchase Price paid by Lessor and specified in the Supplement multiplied by the appropriate Termination Percent stated below:

NO CHANGES TO THIS ADDENDUM ARE AUTHORIZED  
Oct 27, 1997 Addendum No. Q01491474-01

IBM Credit Corporation

Equipment Type	Option/Term	Rent Commencement Anniversary 12 Mos.
<u>9406/600</u>	<u>G/24</u>	<u>37%</u>

Prepared by: J ROOME

Accepted by:  
IBM Credit Corporation

TITUS COUNTY

For or as Lessor:

by \_\_\_\_\_  
Authorized Signature

by Danny P. Crank  
Authorized Signature

Name (Type or Print) Date  
A491474A/BP4

DANNY P. CRANKS 12-08-97  
Name (Type or Print) Date

NO CHANGES TO THIS ADDENDUM ARE AUTHORIZED  
Oct 27, 1997 Addendum No. Q01491474-01



Credit Corporation

## CERTIFICATE OF ACCEPTANCE

Page 1 of 2

Customer Number: 8944988  
 Name and Address  
 TITUS COUNTY  
 105 W 1ST  
 STE 101  
 MT PLEASANT, TX 75455-4454

Branch Office Address  
 1605 LBJ FRWY  
 DALLAS, TX 75234  
 ATTN: RCF DEPT. 577  
 Customer Reference:

Agreement Number: 577L034  
 Supplement No: D00405288

Location Customer	Leased/Financed Item Type	Model	Plant Order or MES No.	Contract Serial No. Description	Manufacturer's Serial No.
8944988	5789	SS1		AS/400 OPERATING SYSTEM	
8944988	9406	800		9406 SYSTEM UNIT	
8944988	9910	B73		FORTRESS / II EXT	

THE UNDERSIGNED ("CUSTOMER") IS A LESSEE OR CUSTOMER UNDER THE TERM LEASE MASTER AGREEMENT, INSTALLMENT PAYMENT MASTER AGREEMENT, QUICKLEASE AGREEMENT OR OTHER AGREEMENT REFERENCED ABOVE ("AGREEMENT") WITH EITHER IBM CREDIT CORPORATION OR INTERNATIONAL BUSINESS MACHINES CORPORATION (IN EITHER CASE, "IBM"). CUSTOMER REPRESENTS AND CERTIFIES THAT THE ITEMS LISTED ABOVE OR ITEMIZED ON AN ATTACHMENT TO THIS CERTIFICATE OF ACCEPTANCE ("ACCEPTED ITEMS") HAVE BEEN ACCEPTED BY CUSTOMER ON THE ACCEPTANCE DATE INDICATED BELOW AND LABELS, IF SUPPLIED, HAVE BEEN AFFIXED TO EACH ACCEPTED ITEM OF EQUIPMENT. CUSTOMER AUTHORIZES IBM TO PAY CUSTOMER'S SUPPLIER FOR THE ACCEPTED ITEMS. AMOUNTS DUE UNDER THE AGREEMENT SHALL COMMENCE UPON THE ACCEPTANCE DATE INDICATED BELOW UNLESS OTHERWISE NOTED BY LESSOR ON THE SUPPLEMENT. IF CUSTOMER IS SUBJECT TO PROCUREMENT OR APPROPRIATION LAWS OR REGULATIONS, CUSTOMER REPRESENTS AND CERTIFIES THAT IBM'S DIRECT PAYMENT TO CUSTOMER'S SUPPLIER FOR THE INVOICE AMOUNTS INDICATED ON THIS CERTIFICATE OF ACCEPTANCE WILL BE IN FULL COMPLIANCE WITH ANY AND ALL RELEVANT STATE LAWS AND REGULATIONS OR ANY OTHER LEGAL REQUIREMENTS RELATING TO CUSTOMER'S PROCUREMENT OR APPROPRIATION ACTIVITIES.

IN ORDER FOR THIS CERTIFICATE OF ACCEPTANCE TO BE EFFECTIVE, CUSTOMER MUST PROVIDE IBM WITH SERIAL NUMBERS FOR EACH ACCEPTED ITEM OF EQUIPMENT. CUSTOMER AUTHORIZES IBM TO COMPLETE OR UPDATE ANY EQUIPMENT IDENTIFICATION INFORMATION ON THE REFERENCED AGREEMENT OR SUPPLEMENT TO THE AGREEMENT FOR ANY ACCEPTED ITEM OF EQUIPMENT WITHOUT FURTHER ACTION OR CONSENT BY CUSTOMER.

DELIVERY OF AN EXECUTED COPY OF THIS CERTIFICATE OF ACCEPTANCE BY FACSIMILE OR ANY OTHER RELIABLE MEANS SHALL BE DEEMED TO BE AS EFFECTIVE FOR ALL PURPOSES AS DELIVERY OF A MANUALLY EXECUTED COPY. CUSTOMER UNDERSTANDS THAT IBM MAY MAINTAIN A COPY OF THIS CERTIFICATE IN ELECTRONIC FORM AND AGREES THAT A COPY PRODUCED FROM SUCH ELECTRONIC FORM OR BY ANY OTHER RELIABLE MEANS (FOR EXAMPLE, PHOTOCOPY, IMAGE OR FACSIMILE) SHALL IN ALL RESPECTS BE CONSIDERED EQUIVALENT TO AN ORIGINAL.

Accepted by: TITUS COUNTYACCEPTANCE DATE: Dec. 08, 1997  
(Must Be Completed)

By: *Danny P. Crooks*  
 Authorized Signature  
DANNY P. CROOKS  
 Name (Type or Print)

PLEASE RETURN TO BRANCH OFFICE ADDRESS LISTED ABOVE.

2125-5137-00 (06/97)



Credit Corporation

## CERTIFICATE OF ACCEPTANCE

Page 2 of 2

Customer Number: 8944988  
Name and Address  
TITUS COUNTY  
105 W 1ST  
STE 101  
MT PLEASANT, TX 75455-4454

Branch Office Address  
1805 LBJ FRWY  
DALLAS, TX 75234  
ATTN: RCF DEPT. 577  
Customer Reference:

Agreement Number: 577L034  
Supplement No: D00405288

Location Customer	Leased/Financed Item Type	Model	Plant Order or MES No.	Contract Serial No. Description	Manufacturer's Serial No.
Supplier Invoice Information (Invoices Must Be Attached)					
Supplier	Invoice Number		Invoice Date	Invoice Amount	
1.					
2.					
3.					
4.					
5.					
6.					
				TOTAL	0.00



Credit Corporation

## Direct Debit Program from IBM Credit

Effective June 1, 1991, IBM Credit Corporation began offering an electronic payment facility called the Direct Debit Program. Currently, over 5,000 IBM Credit customers enjoy the benefits of this program.

On the last business day of the month the invoice is dated, customers participating in the Direct Debit Program have their bank accounts electronically debited for the amount shown on their regular periodic TLMA or IPMA invoices.

IBM Credit's Direct Debit Program conforms to the National Automated Clearing House Association Operating Rules relating to Corporate Trade Payment Entries. A copy of these rules can be obtained from any bank, or by calling (703) 742-9190.

### Advantages

**Quality Improvement** - Direct Debit reduces manual processing, assures timely payment, and helps avoid late payment fees.

**Cost Savings** - Customers receive 1/4 of 1% discount off their invoice amount. Mailing costs are reduced and there is no start-up investment.

**Easy Administration** - Implementation is fast. And no check processing is needed.

### Customer Control and Protection

IBM Credit has designed the Direct Debit Program in a way that protects customers and gives them control. For invoices dated the 1st of the month, customers have until the 15th to verify that the amount to be debited is correct. If customers do not notify IBM Credit (through their local IBM representative) by the 15th of the month of any issues or discrepancies regarding the invoice, the full amount of the invoice will be direct debited. Many banks will confirm the amount to be debited prior to the debit occurring.

All direct debits are initiated on the last business day of the month the invoice is dated. IBM Credit's program enables customers to request a reversal of the amount debited from their account within 10 business days from the date of the debit. The funds will be transferred back into the customer's account by the end of the next business day following such request.

Only the business bank account supplied by the customer will be debited. The customer's bank statement will have a line item that shows EXACTLY the amount and the date of the debit, forming a "paper trail" for easy reconciliation.

### How to Begin:

To participate in IBM Credit's Direct Debit Program, simply complete the Direct Debit Authorization ("DDA") on the attached page 2, attach a voided check from the business deposit account (not used for personal, family, or household purposes) from which you would like IBM Credit to electronically debit your invoice amounts, and return the DDA and the voided check to your IBM representative.

A Direct Debit Authorization received and processed by the 15th of the month will result in the next regular periodic payment begin electronically collected. The discount of 1/4 of 1% is automatically subtracted and will be indicated on your invoice.

### How to End:

Direct Debit customers who choose to participate and wish to terminate the program simply need to provide sixty days prior written notice to their local IBM representative. IBM Credit also may terminate this program after providing sixty days prior written notice to the customer.

### Any Questions?

If you would like additional information or have questions about IBM Credit's Direct Debit Program, call the phone number that appears on your IBM Credit Corporation invoice or contact your IBM representative.

IBM is a registered trademark of International Business Machines Corporation and is used under license.



### DIRECT DEBIT AUTHORIZATION

IBM Customer Number: 8944988

1. I authorize IBM Credit Corporation to periodically initiate orders for the payment of money ("Debit Entries") from my business deposit account indicated on the attached voided check. Each Debit Entry will be in the total amount from an invoice rendered at the beginning of the calendar month, which may include any prior late charges or delinquency fees, for any obligation incurred under a current or future lease or financing contract with IBM Credit Corporation that references the IBM Customer Number indicated above.
2. I agree to notify IBM Credit Corporation in writing at least 60 days prior to any changes in my deposit account information affecting the processing of Debit Entries.
3. I understand that if a Debit Entry is not accepted by me or by the financial institution where my deposit account is located and the Debit Entry is returned unpaid or partially paid, then if I have made no other provision for payment of the invoice on or before the due date, such payment will be considered delinquent under my lease or financing contract with IBM Credit Corporation. I understand that IBM Credit Corporation may not provide me or my financial institution with a delinquency notice.
4. I understand that if my credit approval is conditioned upon my agreement to this direct debit authorization, IBM Credit Corporation shall have the right to treat the termination of this direct debit authorization as an event of default under my lease or financing contract.
5. I have read and agree to the terms and conditions of the IBM Credit Direct Debit Program as set forth in this Authorization and on the page 1.

TITUS COUNTY

Customer Name

By:

Samuel P. Carter

Authorized Signature

Date:

Dec. 08, 1997

**ATTACH VOIDED CHECK HERE**

(If voided check is unavailable, then written documentation from the customer's bank is required to verify the bank routing and account information.)

NO CHANGES TO THIS DOCUMENT ARE AUTHORIZED BY IBM CREDIT CORPORATION

APPLICATION FOR PERMIT

TO: COMMISSIONERS COURT  
MT. PLEASANT, TEXAS 75455

Application is hereby made by SOUTHWESTERN BELL TELEPHONE COMPANY  
for permission to lay Twisted line along/under  
that certain segment of the county road in Precinct # Two (2)  
at the following location(s):

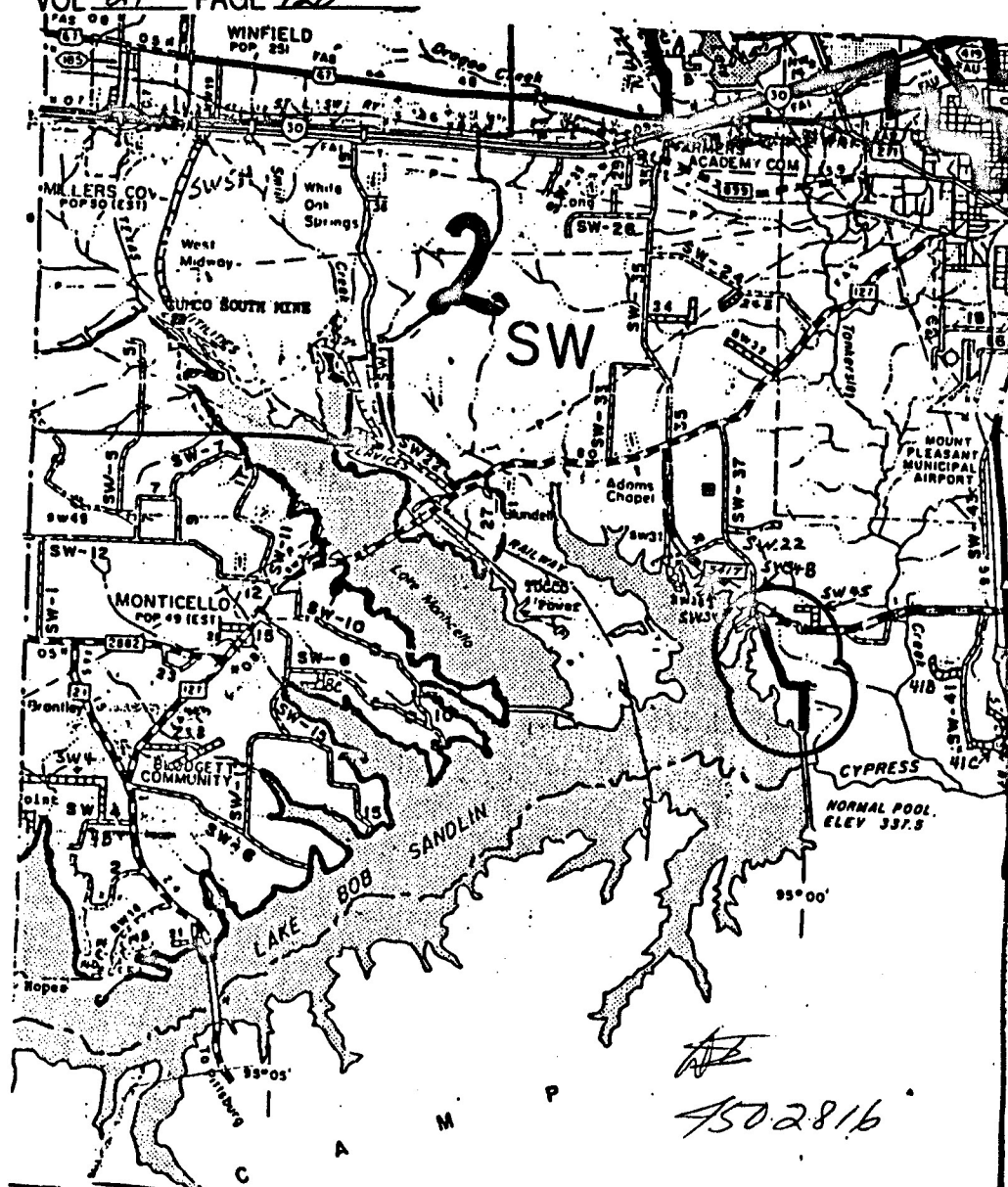
*SW CR 37 as shown  
on attached drawing.*

Respectfully submitted,

C. D. Prime  
Manager-Engineering Design  
611 W. Elm  
Tyler, Texas 75702  
512-3495

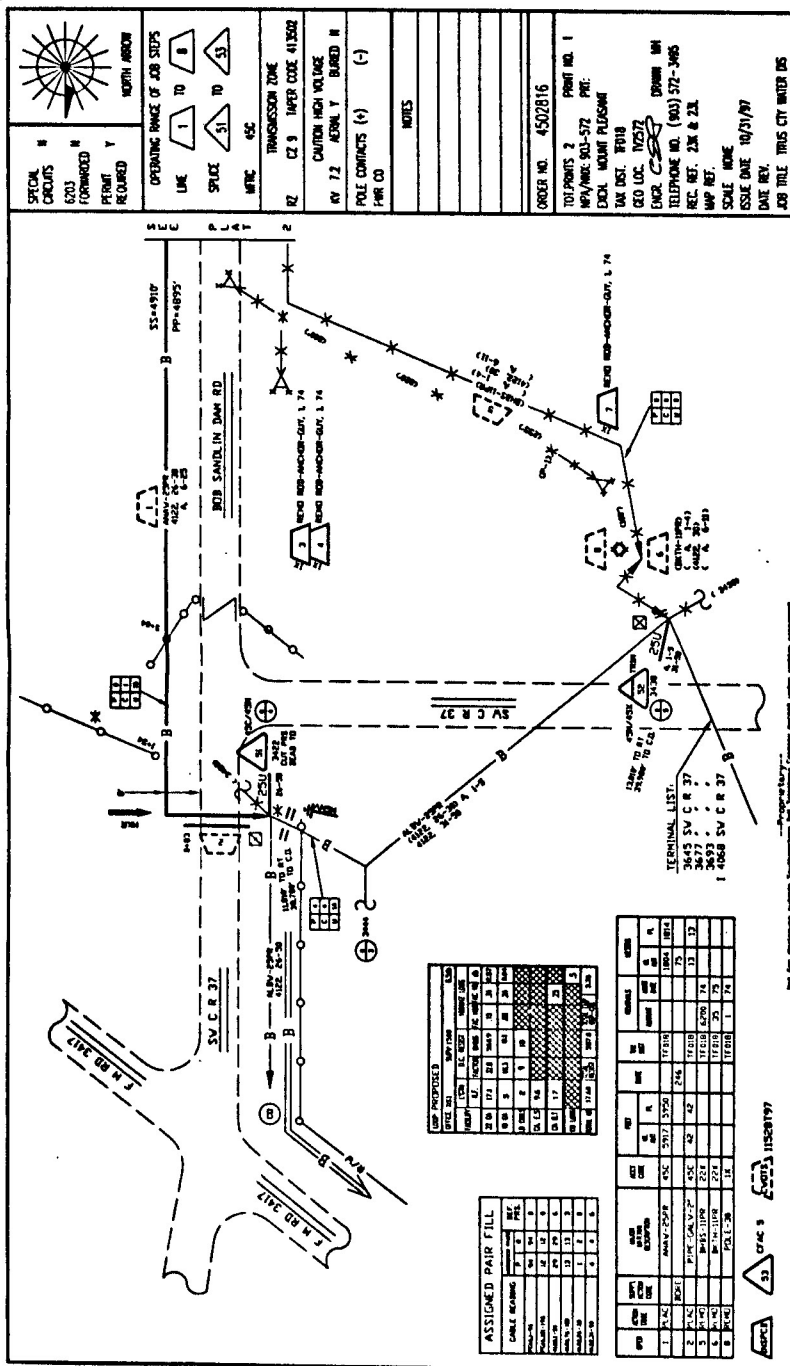
APPROVED - DENIED

Dennis F. Clark  
COUNTY JUDGE









AGREEMENT OF LEASE

THE STATE OF TEXAS

COUNTY OF TITUS

KNOW ALL MEN BY THESE PRESENTS;

THIS AGREEMENT OF LEASE, effective this 1st day of January, 1998, by and between MAURY A. BUFORD and DANA BUFORD, hereinafter called "LESSOR", and MIKE FIELDS, County Commissioner of Titus County, Texas, hereinafter called "LESSEE."

WITNESSETH:

1. Lessor hereby leases to Lessee and his successors in office all that certain tract of land described as follows: SEE ATTACHED EXHIBIT "A".

2. This lease shall be for a term of twelve (12) months beginning January 1, 1998, and ending December 31, 1998, and as long thereafter as the property is utilized in the following described manner by Lessee and the following conditions and provisions are complied with. This lease may be terminated by either party by submitting notice of intent to cancel said lease to the other party in writing sixty (60) days prior to such termination.

3. The consideration of this lease is \$600.00 payable in one (1) payment.

4. Lessee agrees that said premises shall be used for the purpose of storing and mixing road materials, or any other purpose agreed upon by the parties. In the use of said premises, Lessee shall comply with all laws, governmental rules and regulations enacted or promulgated by any governmental authority. No building of any kind shall be erected upon the premises without prior written approval of the Lessor.

5. Lessee covenants and agrees that he will not assign this lease nor sublet the whole or any part of said premises without first securing the written approval of Lessor.

6. Lessee accepts the premises as suitable for his purposes and waives any defects therein; and Lessor shall not be liable to Lessee, his employees, patrons, or visitors, for any injury or damage to person or property arising out of the condition of the premises.

7. Lessor reserves hunting and fishing rights to the property.

EXECUTED IN DUPLICATE this the 20<sup>th</sup> day of Nov, 1997.

Maury A. Buford  
MAURY A. BUFORD, LESSOR

Dana Buford  
DANA BUFORD, LESSOR

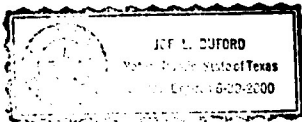
Mike Fields  
MIKE FIELDS, COMMISSIONER PRECINCT 2  
TITUS COUNTY, TEXAS  
LESSEE

STATE OF TEXAS

COUNTY OF TITUS

Before me, the undersigned authority, on this day personally appeared Maury A. Buford, Dana Buford and Mike Fields, known to me to be the persons whose names subscribed to the foregoing instrument, and acknowledged to me that they executed the same for the purposes and considerations therein expressed.

Given under my hand and seal of office, this 20<sup>th</sup> day of Nov, 1997.



Joe L. Buford  
NOTARY PUBLIC

167.166 Acre Tract: All that certain tract or parcel of land situated in Titus County, State of Texas, a part of the L. S. Suggs Survey, A-518, a part of the W.F. Sinclair Survey, A-526, and a part of the Celia Coots Survey, A-115, and being all of a Third Tract, all of a Fourth Tract, and a part of a First Tract conveyed by Thomas Earl Allen et ux to Joe L. Buford as recorded in Vol. 318, p. 235 of the Deed Records of said County and bounded as follows:

BEGINNING at an iron rod for corner, the north corner of the aforementioned Fourth Tract, said beginning corner lies in the west right-of-way line of Farm Road No. 21;

THENCE in a southeasterly direction around a curve to the left in the Road right-of-way line (Long Chord bears S 20° 54' 50" E, 530.89 ft.; Radius = 1472.40 ft.) through a Central Angle of 20° 46' 19", for a total distance of 533.80 ft. to an iron rod at the end of the curve;

THENCE S 31° 18' E, continuing along the right-of-way line, 858.12 ft. to an iron rod set at the beginning of a curve to the right;

THENCE in a southeasterly direction around the curve in the Road right-of-way line (Long Chord bears S 26° 11' 30" E, 673.16 ft.; Radius = 3779.72 ft.) through a Central Angle of 10° 13', for a total distance of 673.98 ft. to an iron rod set at the end of the curve;

THENCE S 21° 05' E, continuing along the Road right-of-way line, 113.88 ft. to an iron rod set for corner in the east boundary line of the Sinclair Survey, being also the east boundary line of the aforementioned First Tract;

THENCE S 1° 43' E along the common east boundary line, 689.95 ft. to an iron rod set for corner, the southeast corner of the Sinclair Survey, being also the Southeast corner of the First Tract;

THENCE N 89° 53' W along the south boundary line of the Sinclair Survey and the south boundary line of the First Tract, 810.00 ft. to a point for corner in the centerline of Spring Branch, said corner being also the northeast corner of the aforementioned Third Tract;

THENCE generally in a southerly direction along the centerline of Spring Branch, the following courses and distances: S 31° 30' E, 270.0 ft.; S 27° 30' W, 70.0 ft.; S 53° 30' E, 80.0 ft.; N 64° 30' E, 175.0 ft.; S 33° 30' W, 360.0 ft.; S 14° 57' E, 125.0 ft.; S 22° 30' W, 420.0 ft.; S 40° 00' W, 350.0 ft.; N 54° 30' W, 65.0 ft.; West 230.0 ft.; S 43° 00' W, 270.0 ft.; S 72° 00' W, 524.23 ft.; S 27° 00' W, 591.75 ft.; S 24° 13' E, 222.54 ft.; S 33° 53' E, 472.27 ft.; S 3° 30' E, 20.31 ft. to an iron rod set for corner in the north boundary line of Lake Bob Sandlin, said corner being the northeast corner of a 1.29 acre tract conveyed to Titus County Fresh Water Supply District No. 1;

THENCE generally in a westerly direction along the north boundary line of the 1.29 acre tract, being also the shoreline of Lake Bob Sandlin, the following courses and distances: S 83° 41' W, 305.35 ft.; N 36° 15' W, 137.0 ft.; S 66° 57' W, 300.0 ft.; N 36° 58' W, 115.39 ft.; S 88° 41' W, 117.33 ft.; S 77° 08' W, 203.71 ft.; N 66° 12' W, 174.12 ft.; N 32° 37' W, 199.62 ft.; S 24° 42' E, 219.21 ft.; S 66° 27' E, 103.11 ft. to an iron rod for corner in the south boundary line of the Celia Coots Survey, being also the south boundary line of the Third Tract;

THENCE S 88° 40' W along the common south boundary line, 370.92 ft. to an iron rod set for corner, the southwest corner of the Third Tract;

THENCE N 1° 20' W generally along a fence for the West boundary line of the Third Tract, 1803.13 ft. to an angle point;  
THENCE N 1° 15' W, continuing along the fence for the west boundary line, 899.14 ft. to a concrete monument found for corner in the north boundary line of the Celia Coats Survey, said corner being the northwest corner of the Third Tract;  
THENCE N 87° 29' E along a fence for the common north boundary line, 2426.18 ft. to an iron rod set for corner, the southwest corner of the First Tract;  
THENCE N 0° 59' W along a fence for the west boundary line of the First Tract, 1819.44 ft. to an iron rod set for corner in the north boundary line of the Sinclair Survey, said corner being the northwest corner of the First Tract;  
THENCE S 89° 28' E along the common north boundary line, 106.58 ft. to an iron rod set for corner, the southwest corner of the Fourth Tract;  
THENCE N 1° 44' W along a fence for the west boundary line of the Fourth Tract, 814.46 ft. to the place of beginning and containing 167.166 acres of land.

LESS AND EXCEPT: Lessor hereby reserves the right to hunt on the above described tract of land.

EXHIBIT "A"

Area 421B-2  
Tract 1387  
Acreage 62.89

## LICENSE AGREEMENT

THE STATE OF TEXAS §

THE COUNTY OF TITUS §

KNOW ALL MEN BY THESE PRESENTS:

This agreement of license is made this 1st day of December 1997, by and between Texas Utilities Mining Company, a Texas Corporation, hereinafter called Licensor and Titus County, Texas, hereinafter called Licensee.

1. **LICENSE PREMISES:** Licensor hereby leases to Licensee, and Licensee hereby leases from Licensor, real property (hereinafter called "licensed premises"), situated in Titus County, fully described on EXHIBIT "A" attached hereto and made a part hereof for all purposes.
  2. **PURPOSE OF LICENSE:** This license is given for Licensee'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:** Licensee agrees to pay Licensor, as rent for the licensed premises, the sum of One & No/100 Dollars (\$1.00), payable to Texas Utilities Mining Company, at P. O. Box 1255, Mt. Pleasant, Texas 75456-1255.
  4. **TERM:** The initial term of this license shall be for a period of one (1) year, beginning on December 1<sup>st</sup>, 1997 and ending on December 1<sup>st</sup>, 1998. Licensee shall have an option to renew this license for an additional one year term by giving written notice to Licensor at least thirty (30) days prior to the expiration of the initial term of his intent to renew the license.
  5. **REPAIRS AND MAINTENANCE:** Licensee shall maintain the licensed premises in condition fit for their intended use, and it is specifically agreed between the parties that Licensee 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 Licensee will, upon termination of this license, 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 such substances shall be removed at the expense of Licensee. Licensee will hold Licensor 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 Licensee.** If Licensee 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 Licensor, or should any other person than Licensee secure possession of the premises or any part thereof, by reason of any operation of law, in any manner whatsoever, Licensor may, at his option, without notice to Licensee, terminate this lease, or in the alternative, Licensor 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, Licensee shall be in default if it does not maintain the premises in accordance with the regulation os those agencies listed in Section 5 of this agreement.

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

(1) After not less than ten (10) days notice to Licensor, Licensee 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 licensee in connection therewith, shall be paid by Licensor to Licensee on demand, and on failure of such reimbursement, Licensee may, in addition to any other right or remedy that Licensee may have, deduct the costs and expenses thereof rom rent subsequently becoming due hereunder; or,

(2) Elect to terminate this agreement on giving at least ten (10) days notice to Licensor of such intention, thereby terminating this agreement on the date designated in such notice, unless Licensor shall have cured such default prior to the expiration of the ten (10) day period.

**7. ASSIGNMENT AND SUBLEASE:** Licensee shall not assign this license, nor sublet all or any portion of the licensed premises without the prior written consent of the Licensor.

**8. MISCELLANEOUS:**

**A. Notices and Addresses.** All notices to be given hereunder shall be given by certified or registered mail, addresses 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 Licensor or Licensee 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 attorneys fees incurred by the prevailing party.

EXECUTED in duplicate as of the 14th day of November, 19 97.

LICENSOR:

TEXAS UTILITIES MINING COMPANY

BY:                     

Kevin Kent  
Real Estate Manager

LICENSEE:

TITUS COUNTY

By: Mike Fields  
Mike Fields  
Titus County Commissioner, Precinct #2  
Rt. 3, Box 9380  
Mt. Pleasant, TX 75455  
(903) 572-7172



SEMPCO VC.  
3208 South Main Street  
Fort Worth Texas 76100  
817-926-7876

Mining Control Surveys Section

EXHIBIT "A"

5 February 1993

VOL 24 PAGE 130

FIELD NOTES  
(Ralph & Norma Day)

All that certain lot, tract, or parcel of land in the J. J. Dew Survey, Abstract 156, Titus County, Texas, being a residue from that certain 296 acres of land described in the deed from John W. Williams & wife Mabel Williams to Ralph P. Day & wife Norma I. Day, dated 22 October 1970 and recorded in Volume 363, Page 471, Deed Records of Titus County, Texas, (D.R., T.Co., Tx.), and being more particularly described by metes and bounds as follows:

BEGINNING at a 1/2 inch pipe found in place for the northeast corner of that certain 7.804 acres described in the deed from Billy Joe Craig & wife Nancy Craig to James D. Robertson & wife Myrtis Robertson, recorded in Vol. 441, Pg. 671, D.R., T.Co., Tx., and the southwest line of the right-of-way (R/W) for the Paris - Mt. Pleasant Railroad (no longer in use as a railroad);

THENCE with the north line of said 7.804 acres, South 55 degrees 08 minutes West 255-47/100 feet to a 1/2 inch pipe found in place in a creek, for its northwest corner and a reentrant corner of this tract;

THENCE with the west line of the 7.804 acres, South 2 degrees 14 minutes 06 seconds East 775-39/100 feet to an iron pin found in place at a sharp turn in County Road NW 20, for the southwest corner of the 7.804 acres and the northwest corner of that certain 5.92 acres described in the deed from J. H. Englebretson to Robert A. Jones & wife Mary A. Jones, dated 4 August 1964 and recorded in Vol. 301, Pg. 461, D.R., T.Co., Tx.;

THENCE with the west line of the 5.92 acres, to and generally along said County Road NW 20, South 1 degree 26 minutes East 230-15/100 feet to a point at another sharp bend in the road, where an iron pin found in place bears N 1-26 W 26.34 feet and a 1 inch pipe found in place bears S 0-08 W 12.71 feet, for the southeast corner of this residue tract and the northeast corner of that certain 50.579 acres described in the deed from Ralph P. Day & wife Norma I. Day to Manly M. Moore & wife Bess Moore, dated 22 March 1983 and recorded in Vol. 462, Pg. 823, D.R., T.Co., Tx.;

THENCE with the north line of said 50.579 acres and generally along the center of said NW 20, South 87 degrees 59 minutes 10 seconds West, passing the northwest corner of the 50.579 acres and the northeast corner of that certain 54.95 acres described in the deed from Ralph P. Day & wife Norma I. Day to Manly M. Moore & wife Bess Moore, dated 14 Nov. 1985 and recorded in Vol. 492, Pg. 83, D.R., T.Co., Tx., and continuing along the same bearing with the north line of the 54.95 acres, in all 1295-23/100 feet to a point in the road where a fence corner post bears N 1 W 20.75 feet, for the southwest corner of this residue tract and the southeast corner of that certain 3 acres described in the deed from Winnogene C. Friend to Weldon D. Heflin & wife Karen R. Heflin, dated 27 September 1984 and recorded in Vol. 478, Pg. 320, D.R., T.Co., Tx.;

THENCE with the line common to said 3 acres and this tract, North 1 degree no minute 10 seconds West 457-55/100 feet to a point where a fence corner bears S 87-13 W 1.4 feet, for the northeast corner of the 3 acres and the easterly southeast corner of that certain 37 acres described in the deed from

Ralph & Norma Day  
J. J. Dew Survey  
5 Feb. 1993  
Page 2 of 2

VOL 24 PAGE 131

Norris F. Pope & wife Mary Belle Pope to Lon B. Bates, dated 9 Jan. 1969 and recorded in Vol. 374, Pg. 321, D.R., T.Co., Tx.;

THENCE with the line common to this tract and said 37 acres, North 1 degree no minute 10 seconds West 1638-00/100 feet to a point at a fence corner where a 5/8 inch iron pin found in place bears N 87 E 5.62 feet, for the northeast corner of the 37 acres and the northwest corner of this residue tract, in the south line of that certain 4 acres described in the deed from Ron L. Britt & wife LaVerne Britt to Becky J. Walker, dated 16 July 1984 and recorded in Vol. 457, Pg. 782, D.R., T.Co., Tx.;

THENCE with the south line of said 4 acres, North 87 degrees 05 minutes 28 seconds East 5-62/100 feet to a 5/8 inch iron pin found for its southeast corner and the southwest corner of that certain 26 acres described in the deed from Eugenio & Maria Hernandez to Bobby C. Wood, recorded in Vol. 414, Pg. 152, D.R., T.Co., Tx.;

THENCE with the south line of said 26 acres, North 88 degrees 06 minutes 45 seconds East, passing its southeast corner and the southwest corner of that certain 7.03 acres described in the deed from Eugenio Hernandez to Bobby C. Wood, dated 23 Jan. 1980 and recorded in Vol. 431, Pg. 385, D.R., T.Co., Tx., and continuing along the same bearing with the south line of the 7.03 acres, in all a total distance of 1144-88/100 feet to a point in the west line of the old R/W for the Paris - Mt. Pleasant Railroad, where a cross-tie fence corner post bears N 88-07 E 5 feet, for the northeast corner of this residue tract;

THENCE with said west R/W line, South 20 degrees 44 minutes 44 seconds East 1001-74/100 feet to the point of beginning, containing in all some 62-89/100 acres of land, including 0.79 acre in the County Road;

Prepared from a survey made on the ground in August & September, 1992.

*David A. Watson*  
David A. Watson, RPLS 1756

The point of beginning of this description has the following Grid Coordinates on the Texas Utilities Mining Company horizontal control network:

N= 575,924.79 E= 2,772,032.69

All bearings are Grid, TUMCo datum. Rotate bearings 1 degree 22 minutes 27 seconds clockwise to be compatible with true bearings.

AGREEMENT OF LEASE

COUNTY OF TITUS

KNOW ALL MEN BY THESE PRESENTS:

THIS AGREEMENT OF LEASE, is effective January 1, 1998, by and between TELZIE McCOO, hereinafter called "Lessor", and MIKE PRICE, County Commissioner of Titus County, Texas, hereinafter called "Lessee."

WITNESSETH:

1. Lessor hereby leases to Lessee and his successors in office all that certain tract of land described as follows: SEE ATTACHED EXHIBIT "A".
2. This lease shall be for a term of 12 months, or as long thereafter as the property is utilized in the following described manner by Lessee and the following conditions and provisions are complied with. This lease may be terminated by either party by submitting notice of intent to cancel said lease to the other party in writing sixty (60) days prior to such termination.
3. The consideration of this lease is 2,100.00 payable in one (1) payment. This lease shall be for a term of twelve (12) months beginning January 1, 1998 and ending December 31, 1998.
4. Lessee agrees that said premises shall be used for the purpose of storing and mixing road materials, or any other purpose agreed upon by the parties. In the use of said premises, Lessee shall comply with all laws, governmental rules and regulations enacted or promulgated by any governmental authority. No building of any kind shall be erected by Lessee upon the leased premises without prior written approval of the Lessor.
5. Lessee covenants and agrees that he will not assign this lease nor sublet the whole or any part of said premises without first securing the written approval of Lessor.
6. Lessee accepts the premises as suitable for his purposes and waives any defects therein; and Lessor shall not be liable to Lessee, his employees, patrons, or visitors, for any injury or damage to person or property arising out of the condition of the premises.

EXECUTED IN DUPLICATE this 10th day of December, 1997.

Telzie McCoo  
TELZIE McCOO, Lessor

Mike Price  
MIKE PRICE, County Commissioner of  
Precinct 1, Titus County, Texas  
Lessee

EXHIBIT A

Being eight (8) acres out of the middle of the following tract of land; All that certain lot or parcel of land out of the Ben T. Porter Survey in Titus County, Texas, and BEGINNING at a stake on the NBL of said survey at the NEC of a certain tract out of said survey formerly owned by August Hoffmann, and which is the NWC of lands described in a partition deed recorded in Vol. 220, Page 1 of the Deed Records of Titus County;

THENCE in a Southerly direction with Hoffmann's EBL as follows: South 1036 feet, South 0-22 West 594 feet, South 2-40 West 1685 feet to a stake in the NBL of a 5 acre tract being set apart to Minnie McCoo in said partition deed;

THENCE East 135 feet to Minnie McCoo's NEC;

THENCE with Minnie McCoo's EBL, South 31-0 East 50 feet and South 32-10 East 50 feet to a stake in said line;

THENCE North 3743 feet to a stake in the NBL of said survey;

THENCE South 89-33 West with said line, 310 feet to the place of Beginning, and containing 26.6 acres of land, and being the same land described in Paragraph 7 and being set apart to Callie Baker in a partition deed between the heirs of George Baker, dated May 19, 1955, recorded in Vol. 220, Page 1 of the Deed Records of Titus County, Texas LESS a certain 3.76 acre tract out of the south part heretofore sold by Callie Baker to Telzie McCoo and wife, Minnie McCoo.

## TITUS COUNTY

Titus County Courthouse

Danny P. Crooks  
County JudgeDec  
12-08-97

577-1476

## APPLICATION FOR PAYMENT OF PAUPER'S FUNERAL

Name of Deceased Shanna Shaelee Brown Address 3030 7th Mid Pleasant, TX 75455Date of Birth 10-11-97Social Security Number 643-58-3891

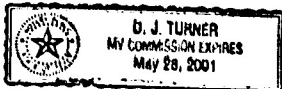
Driver's License No. (State) \_\_\_\_\_

I, the undersigned, hereby state that I was related to the deceased BreannaShaelee Brown as (Relationship) Mother.  
I further state that neither the deceased nor any person responsible for the deceased had any assets such as money, bank accounts, investments, insurance, property or any such assets other than those listed below which are applied to cost of the pauper's funeral.

## LIST OF ASSETS OWNED BY DECEASED OR PERSON RESPONSIBLE FOR DECEASED:

MONEY \$1103 AFDC mthly CHECKING ACCOUNT (Bank) \$ \_\_\_\_\_  
PROPERTY (Home) \$ \_\_\_\_\_ (AUTO) \$ \_\_\_\_\_ (OTHER) \$ \_\_\_\_\_  
INSURANCE \$ \_\_\_\_\_ \$ \_\_\_\_\_  
OTHER ASSETS \$ \_\_\_\_\_ TOTAL ASSETS \$1103 AFDC

I hereby make application to the Commissioners' Court of Titus County that payment be made for the funeral, less any assets as listed above.

APPLICANT FOR DECEASED Shanna Shaelee Brown DATE 11-18-97SUBSCRIBED AND SWORN TO BEFORE ME a Notary Public in and for Titus County, Texas on this the 18 day of November, 1997.D. J. Turner  
NOTARY PUBLIC

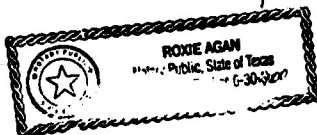
I understand that in order to qualify for a Pauper's Funeral, the total cost of services for the deceased will not exceed \$950.00. I further understand that if payment is made in any amount, whether by family, friends, church, or other organizations, such payment will disqualify this Application for consideration of payment by the Titus County Commissioners' Court.

Therefore, I, Owner/Representative D.J. TURNER of  
(Funeral Home) Turner Bros Funeral Home hereby submit an itemized statement  
for services of deceased, BREANNA S BROWN, and certify that such  
statement for \$950. represents the entire cost for services rendered.

11/20/97  
DATE

D.J. Turner  
OWNER/REPRESENTATIVE FOR FUNERAL HOME

SUBSCRIBED AND SWORN TO BEFORE ME a Notary Public in and for Titus County, Texas on  
this the 20 day of November, 1997.



Roxie Agam  
NOTARY PUBLIC

TURNER BROTHERS UNDERTAKERS  
202 East Arkansas, P. O. Box 755 — Mt. Pleasant, Texas 75456  
Phones (903) 572-5271, 572-7540, 1-800-863-5271

## FUNERAL PURCHASE AGREEMENT

Name of Deceased PHILIPAS BRAND Last Address 3 East 7th Mile Date of Death \_\_\_\_\_Charge to TITUS COUNTY Telephone \_\_\_\_\_ Date of Service 11-22-97Buyer's Home Address \_\_\_\_\_ City MT PLEASANT State TX Zip Code 75455

Charges are only for those items that you selected or that are required. If we are required by law or by a cemetery or crematory to use any items, we will explain the reasons in writing below. If you selected a funeral that may require embalming, such as a funeral with viewing, you may have to pay for embalming. You do not have to pay for embalming if you did not approve if you selected arrangements such as a direct cremation or immediate burial. If we charged for embalming, we will explain why below.

## PROFESSIONAL SERVICES SELECTED

## A. SERVICES OF FUNERAL DIRECTOR AND STAFF

\$ 168.50

## B. EMBALMING

\$ 250.00

Reason for embalming \_\_\_\_\_

## C. OTHER PREPARATION OF THE BODY

\$ \_\_\_\_\_

## D. USE OF FACILITIES AND STAFF SERVICES

1. Viewing per day \$ \_\_\_\_\_
2. Funeral Service \$ \_\_\_\_\_
3. Memorial Service \$ \_\_\_\_\_
4. Graveside Service and equipment \$ \_\_\_\_\_
5. Refrigeration of unembalmed remains \$ \_\_\_\_\_

## E. TRANSPORTATION

1. Transfer of remains to funeral home \$ \_\_\_\_\_
2. Automotive Equipment
  - A. Hearse \$ \_\_\_\_\_
  - B. Hearse at other location \$ \_\_\_\_\_
  - C. Family car \$ \_\_\_\_\_
  - D. Limousine \$ \_\_\_\_\_
  - E. Clergy car \$ \_\_\_\_\_
  - F. Other Automotive Equipment \$ \_\_\_\_\_
  - G. Addl. Mileage @ \$ \_\_\_\_\_ (per mile) \$ \_\_\_\_\_

TOTAL OF PROFESSIONAL SERVICES SELECTED \$ 418.50

## F. MERCHANDISE

1. Casket \$ 120.00
2. Outer Burial Container \$ \_\_\_\_\_
3. Urn \$ \_\_\_\_\_
4. Stationery
  - Acknowledgment Cards @ \$ \_\_\_\_\_ (per 25) \$ \_\_\_\_\_
  - Register Book (s) \$ \_\_\_\_\_
  - Memory Folders / Prayer Cards \$ \_\_\_\_\_
5. Burial Clothing \$ \_\_\_\_\_
6. Other \$ \_\_\_\_\_

TOTAL OF MERCHANDISE SELECTED \$ 120.00

WARRANTIES: The only warranties, expressed or implied, granted in connection with goods sold with this funeral service are the express written warranties, if any, extended by the manufacturers thereof. No other warranties and no warranties of merchantability or fitness for a particular purpose are extended by seller.

I agree that any monies assigned above shall be paid to you within 60 days of the date of this contract. Upon your giving me at least five (5) days prior written notice that any monies due under the assignment(s) described above have not been paid to you as promised, you can require that any such unpaid amount(s) previously credited to my account be paid by me at once.

Charges are only for those items that are used. If the type of funeral selected requires extra items, we will explain the reasons in writing on this contract. In the event I wish to question any area of your service, I may contact you at my convenience. If any of my questions cannot be solved, I may also contact the Texas Funeral Service Commission, 8100 Cameron Road, Suite 550, Austin Texas 78754-3896. Telephone Number: (512) 834-9992, Fax Number: (512) 834-1607.

TERMS: The Unpaid Balance set out above will be due and payable on the Due Date set out above. A FINANCE CHARGE of 1 1/2% per month (ANNUAL PERCENTAGE RATE 18%) will be added to all past due amounts not paid on or before the Due Date set out above. If this agreement is placed in the hands of an attorney and/or agency for collection, I (we) agree to pay reasonable attorney's fees and/or collection costs.

By his (her) signature, buyer(s) in addition to authorizing seller to conduct the funeral, perform the service, furnish the materials, and for the charges specified within this agreement, on the terms and conditions set forth, acknowledges that prior to the execution of this agreement, a printed or typewritten list of retail price of the funeral services and funeral merchandise offered by seller was made available to buyer(s).

PREPARED FOR SELLER:

Executed this 21 day of November, 19 97\_\_\_\_\_  
Funeral Director

Signature (1) \_\_\_\_\_ Buyer

Signature (2) \_\_\_\_\_

## G. SPECIAL SERVICES

1. Forwarding remains to another funeral home \$ \_\_\_\_\_
2. Receiving remains from another funeral home \$ \_\_\_\_\_
3. Immediate burial \$ \_\_\_\_\_
4. Direct cremations \$ \_\_\_\_\_
- Additional charges for staff services and/or use of facilities \$ \_\_\_\_\_
- Describe: \_\_\_\_\_
- Cemetery or crematory requirements if any \_\_\_\_\_

TOTAL OF SPECIAL SERVICES SELECTED \$ \_\_\_\_\_

## H. CASH ADVANCES

1. Cemetery charges \$ 87.50
2. Crematory charges \$ \_\_\_\_\_
3. Transportation \$ 227.00
4. Clergy honorarium \$ \_\_\_\_\_
5. Musicians honorarium \$ \_\_\_\_\_
6. Flowers \$ \_\_\_\_\_
7. Obituaries \$ \_\_\_\_\_
8. Certified copies of death certificates \_\_\_\_\_ @ \$ \_\_\_\_\_ each \$ \_\_\_\_\_
9. Other \_\_\_\_\_ @ \$ \_\_\_\_\_ each \$ \_\_\_\_\_

We charge you for our service in obtaining: \_\_\_\_\_

TOTAL OF CASH ADVANCES \$ 411.50

## SUMMARY OF CHARGES

PROFESSIONAL SERVICES \$ 418.50  
 MERCHANDISE SELECTED \$ 120.00  
 SPECIAL SERVICES \$ \_\_\_\_\_  
 CASH ADVANCES \$ 411.50  
 TOTAL OF ALL CHARGES (Balance Due) \$ 950.00

## METHOD OF PAYMENT:

- Less: ☐ Cash Received on Account \$ \_\_\_\_\_  
☐ Sums consisting of my assignment to you of the proceeds of \_\_\_\_\_

(Type of benefit assigned)

which I am making this day in a separate instrument \$ \_\_\_\_\_

UNPAID BALANCE \$ 1

UNPAID BALANCE DUE BY \_\_\_\_\_, 19 \_\_\_\_\_