

COMMISSIONERS' COURT  
REGULAR MEETING  
NOVEMBER 8, 2004

BE IT REMEMBERED THAT THE TITUS COUNTY COMMISSIONERS' COURT met in *Regular Session* on Monday, November 8, 2004 in the Titus County Courtroom with the following members present:

DANNY P. CROOKS.....COUNTY JUDGE - ABSENT  
BOB FITCH.....COMMISSIONER PRECINCT 1  
MIKE FIELDS.....COMMISSIONER PRECINCT 2  
BILLY J. THOMPSON.....COMMISSIONER PRECINCT 3  
THOMAS E. HOCKADAY.....COMMISSIONER PRECINCT 4  
SHERRY JO MARS..... COUNTY CLERK

INVOCATION GIVEN BY COMMISSIONER BOB FITCH

PUBLIC AND COUNTY OFFICIALS ATTENDING MEETING

DEBBIE RHEA	DEBRA BOWEN
CARL JOHNSON	
NORMA NARRAMORE	JAKE NARRAMORE
AMBER HURLEY	CHARLES SMITH
BILL PRIEFERT	SANDEE MCCANN
RAY MCCANN	

IN THE MATTER OF  
PUBLIC COMMENTS AND/OR REQUEST FOR INFORMATION  
ON NON-AGENDA ITEMS IN ACCORDANCE WITH SECTION  
551-042, TEXAS OPEN MEETINGS ACT

There were no request.

IN THE MATTER OF  
CONSIDER APPROVING A TAX ABATEMENT AGREEMENT  
BETWEEN THE CITY OF MT PLEASANT, TITUS COUNTY  
AND PRIEFERT MANUFACTURING, INC

Charles L. Smith spoke on the tax abatement agreement between the City, County and Priefert Manufacturing, Inc.  
Motion was made by Commissioner Thomas Hockaday and seconded by Commissioner Billy Jack Thompson to approve the tax abatement agreement between the City, County and Priefert Manufacturing, Inc.  
Motion carried unanimously.  
SEE EXHIBIT A

IN THE MATTER OF  
DISCUSS AND POSSIBLY APPROVE A GRANT CONTRACT  
BETWEEN TITUS COUNTY AND THE OFFICE OF THE  
SECRETARY OF THE STATE REGARDING TITLE I,  
SECTION 101 AND TITLE II, SECTION 251 OF THE  
HELP AMERICA VOTE ACT (HAVA), PUBLIC LAW  
107.252, OCTOBER 29, 2002

Motion was made by Commissioner Thomas Hockaday and seconded by Commissioner Billy Jack Thompson to approve a grant contract between Titus County and the Office of the Secretary of the State regarding (HAVA).  
Motion carried unanimously.  
SEE EXHIBIT B

IN THE MATTER OF  
DISCUSS AND POSSIBLY APPROVE PAYBACK AGREEMENT  
PER STATE COMPTROLLER AUDIT

Motion was made by Commissioner Mike Fields and seconded by Commissioner Thomas Hockaday to table this matter until next Court Date.  
Motion carried unanimously.

IN THE MATTER OF  
APPROVE ORAL AND WRITTEN REPORTS  
OF COUNTY OFFICIALS

Motion was made by Commissioner Thomas Hockaday and seconded by Commissioner Billy Jack Thompson to approve oral and written report of: County Auditor, Five Star VFD, Environmental Investigator, District Clerk, Tax Assessor, Justice of the Peace 2 and Justice of the Peace 1.  
Motion carried unanimously.

IN THE MATTER OF  
APPROVE BUDGET AMENDMENTS

Motion was made by Commissioner Thomas Hockaday and seconded by Commissioner Billy Jack Thompson to approve Budget Amendment #1 for the 2005 budget.  
Motion carried unanimously.  
AMENDMENT MAY BE SEEN IN THE AUDITOR'S OFFICE.

IN THE MATTER OF  
SIGN PAY ORDERS AND APPROVE PAYMENT

Motion was made by Commissioner Billy Jack Thompson and seconded by Commissioner Thomas to sign pay orders and approve payment of bills.  
Motion carried unanimously.

IN THE MATTER OF  
ADJOURNMENT

Motion was made by Commissioner Billy Jack Thompson and seconded by Commissioner Bob Fitch to adjourn the meeting.  
Motion carried unanimously.

STATE OF TEXAS §

COUNTY OF TITUS§

**TAX ABATEMENT AGREEMENT**

This Agreement is entered into by and between the City of Mount Pleasant, Texas, duly acting herein by and through its Mayor, (hereinafter referred to as the CITY); and Titus County, Texas duly acting herein by and through its County Judge; (hereinafter collectively referred to as TAXING ENTITIES); and Priefert Manufacturing, Inc., acting by and through its President, (hereinafter referred to as OWNER).

**WITNESSETH:**

WHEREAS, on the 5th day of October, 2004, the City Council of the City of Mount Pleasant passed Ordinance No. 2004-16 establishing an Reinvestment Zone #2004-1, located in the City of Mount Pleasant, Titus County, Texas, for industrial tax abatement, hereinafter referred to as the ORDINANCE, as authorized by the Texas Tax Code 312.31, hereinafter referred to as the ACT; and

WHEREAS, the CITY has adopted Guidelines and Criteria governing tax abatement agreements (the "CRITERIA"); and

WHEREAS, the CRITERIA constitutes appropriate guidelines and criteria governing tax abatement agreements to be entered into by the CITY as contemplated by the ACT; and

WHEREAS, the contemplated use of the PREMISES, as hereinafter defined, the contemplated improvements to the PREMISES in the amount as set forth in this Agreement and the other terms hereof are consistent with encouraging economic development of said Enterprise Zone in accordance with the purposes for its creation and are in compliance with the CRITERIA and the ORDINANCE and similar guidelines and criteria adopted by the CITY and all applicable law;

**NOW THEREFORE**, the parties hereto do mutually agree as follows:

1. **PROPERTY DESCRIPTION.** The property to be the subject of this Agreement shall be that property depicted on the drawing attached hereto as Exhibit "A", each exhibit made a part hereof and shall be hereinafter referred to as PREMISES. The total assessed value of the PREMISES for tax year 2003 is \$4,249,404 land and improvements.
2. **IMPROVEMENTS.** The OWNER shall commence construction of new manufacturing space in two phases.  
Phase I includes the addition of 85,000 sq. ft. of new manufacturing space valued at \$1,275,000 added to the existing plant and will include new equipment and cranes valued at \$150,000. Phase I will involve the creation of 35 new full-time positions at the plant. Total investment of Phase I of the project totals \$1.425 M and will be complete by December 31, 2004.

Phase II includes the construction of 75,000 sq. ft. of new manufacturing space valued at \$1,500,000 of new industrial space to be located on the old airport property, due west of the current facility. This building will house a new powder coat machine, bridge cranes and manufacturing equipment valued at 1.9 million dollars. Phase II will involve the creation of an additional 20 Full time positions. Total investment forecast for Phase II is \$3.4 M and will be complete by June 30,2007.

(hereinafter referred to as IMPROVEMENTS) with total estimated construction cost of Two Million Seven Hundred Seventy Five Thousand and No/100 Dollars (\$2,775,000), with the total investment including construction cost and equipment estimated at Four Million Eight Hundred Twenty Five Thousand and No/100 Dollars (\$4,825,000), and substantially complete same on or about June 30,2007. Attached hereto as Exhibit "B" and included herein for all purposes, is a description of IMPROVEMENTS showing the size and uses of the proposed eligible improvements to the PREMISES. Provided, that OWNER shall have such additional time to complete the IMPROVEMENTS as may be required in the event of "force majeure" if OWNER is diligently and faithfully pursuing completion of the IMPROVEMENTS. For this purpose, "force majeure" shall mean any contingency or cause beyond the reasonable control of OWNER including, without limitation, acts of God or the public enemy, war, riot, civil commotion, insurrection, governmental or de facto governmental action (unless caused by acts or omission of OWNER), fire, explosions or floods, and strikes. The date of completion of the IMPROVEMENTS shall be defined as the date production commences at the aforementioned new building. For the purposes of this agreement, "eligible" improvements shall include the types of property eligible for tax abatement under the respective guidelines and criteria for tax abatement adopted by CITY and the other TAXING ENTITIES.

3. OWNER'S RESPONSIBILITIES. The OWNER agrees and covenants that it will diligently and faithfully in a good and workmanlike manner, pursue the completion of the IMPROVEMENTS as a good and valuable consideration of this Agreement. OWNER further covenants and agrees that all construction of the IMPROVEMENTS will be in accordance with all applicable state and local laws and regulations. In further consideration, OWNER shall thereafter, from the date of completion until thirty (30) months after the expiration of the abatement period, continuously operate and maintain the PREMISES as a Manufacturing Facility with a minimum of 465 full time employees. Use of the property during the Abatement Period shall be limited to uses consistent with the general purpose of encouraging development or redevelopment of the zone. OWNER is to provide the CITY and TAXING ENTITIES a copy of their Tax Rendition to the Titus County Tax Appraisal District for years 2004 thru 2007. Such Rendition should identify those pieces of new equipment included in Phase I or Phase II of the project and eligible for Abatement. Value of this new equipment should at a minimum total \$150,000 in 2004 and \$1,900,000 in 2007. Upon completion and occupation, OWNER is to call for the inspection of new real property and verification of construction within the terms of this agreement. OWNER is to provide

annually in the month of December in years 2005 through 2012 a certified statement that they are compliant with the terms of this abatement and in addition provide copies of quarterly Texas Workforce Commission filings (TWC Tax Report C) indicating total full-time employment and wages paid by the company on the premises.

4. **DEFAULT.** In the event that: (1) THE OWNER of the property fails to create all or a portion of the number of new full-time jobs provided by the agreement; or (2) the appraised value of the IMPROVEMENTS for which an abatement has been granted does not attain a value specified in the agreement; or (3) The IMPROVEMENTS are not completed in accordance with this Agreement; or (4) OWNER allows its ad valorem taxes owed the CITY and TAXING ENTITIES to become delinquent and fails to timely and properly follow the legal procedures for protest and/or contest of any such ad valorem taxes; or; (5) OWNER breaches any of the terms or conditions of this Agreement, then this Agreement shall be in default. In the event that the OWNER defaults as provided above in (1), (2), (3), (4) or (5), then the CITY or TAXING ENTITIES shall give the OWNER written notice of such default and if the OWNER has not cured such default within thirty (30) days of said written notice, or if such default cannot be cured by the payment of money and cannot with due diligence be cured within a ninety (90) day period owing to causes beyond the control of the OWNER, this Agreement may be terminated by the CITY or TAXING ENTITIES. Notice shall be in writing and shall be delivered by personal delivery or certified mail to the Owners of Priefert Manufacturing, Inc., at its corporate headquarters address of record.
5. **RECAPTURE.** In the event of default, all taxes for the years covered by this Agreement which have been abated by the CITY and TAXING ENTITIES under this Agreement (but without the addition of penalty; interest will be charged at the statutory rate for delinquent taxes as determined by Section 33.01 of the Property Tax Code of the State of Texas) shall be refunded to the CITY and TAXING ENTITIES in their respective amounts and shall be due, and paid to the CITY and TAXING ENTITIES within sixty (60) days of the expiration of the above mentioned applicable cure period. CITY and TAXING ENTITIES shall have a prior and superior lien on the PREMISES for any unpaid taxes, or any taxes required to be refunded to the CITY and TAXING ENTITIES for default under this Agreement.
6. **CONFLICT OF INTEREST.** The CITY and the TAXING ENTITIES each represent and warrant that the PREMISES do not include any property that is owned by a member of their respective councils or boards, agencies, commissions, or other governmental bodies approving, or having responsibility for the approval of this Agreement.
7. **ASSIGNMENT.** The terms and conditions of this Agreement are binding upon the successors and assigns of all parties hereto. This Agreement cannot be assigned by OWNER other than to wholly-owned subsidiary of OWNER unless written permission is first granted by the CITY and TAXING ENTITIES, which permission shall be at the sole discretion of the CITY and TAXING ENTITIES.

8. **INDEPENDENT CONTRACTOR.** It is understood and agreed between the parties that the OWNER, in performing its obligations hereunder, is acting independently, and the CITY and TAXING ENTITIES assume no responsibilities or liabilities in connection therewith to third parties and OWNER agrees to indemnify and hold harmless therefrom.
9. **RIGHT OF ACCESS.** The OWNER further agrees that the CITY and TAXING ENTITIES, their agents and employees, shall have reasonable right of access to the PREMISES to inspect the IMPROVEMENTS in order to insure that the construction of the IMPROVEMENTS are in accordance with this Agreement and all applicable state and local laws and regulations or valid waiver thereof. After completion of the IMPROVEMENTS, the CITY and TAXING ENTITIES shall have the continuing right to inspect the PREMISES to insure that the PREMISES are thereafter maintained and operated in accordance with this Agreement.
10. **DURATION OF ABATEMENT.** Subject to the terms and conditions of this Agreement, and subject to the rights and holders of any outstanding bonds of the CITY and TAXING ENTITIES, a portion of ad valorem real property taxes from the PREMISES otherwise owed to the CITY and TAXING ENTITIES shall be abated. Said abatement shall be an amount equal to:
- |            |      |  |
|------------|------|--|
| Year One   | 2005 | 90% Abatement of City and County Taxes |
| Year Two   | 2006 | 90% Abatement of City and County Taxes |
| Year Three | 2007 | 90% Abatement of City and County Taxes |
| Year Four  | 2008 | 90% Abatement of City and County Taxes |
| Year Five  | 2009 | 75% Abatement of City and County Taxes |
| Year Six   | 2010 | 75% Abatement of City and County Taxes |
| Year Seven | 2011 | 75% Abatement of City and County Taxes |

of the taxes assessed upon the increased value of the eligible IMPROVEMENTS over the value in the year in which this Agreement is executed and in accordance with the terms of this Agreement and all applicable state and local regulations or valid waiver thereof; provided that the OWNER shall have the right to protest and/or contest any assessment of the PREMISES and said abatement shall be applied to the amount of taxes finally determined to be due as a result of any such protest and/or contest. Said abatement shall extend for a period of seven (7) years beginning January 1, 2005. Use of the property during the Abatement Period shall be limited to uses consistent with the general purpose of encouraging development or redevelopment of the zone.

11. This Agreement was authorized and approved by the City Council of the City of Mount Pleasant, Texas, at its regularly scheduled meeting on the 19<sup>th</sup> day of October, 2004, authorizing the Mayor to execute the Agreement on behalf of the City of Mount Pleasant, Texas, a copy of said minutes is attached as Exhibit "C".

- 12. This Agreement was authorized and approved by the Titus County Commissioners Court on the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_ whereupon it was duly determined that the County Judge would execute the Agreement on behalf of Titus County, a copy of said minutes is attached as Exhibit "D".
- 13. **SEVERABILITY.** This shall constitute a valid and binding Agreement between the CITY and OWNER, when executed in accordance herewith, regardless of whether any other TAXING ENTITY executes this Agreement. If a TAXING ENTITY executes this Agreement, this shall constitute a valid and binding Agreement between said TAXING ENTITY and OWNER, when executed on behalf of said parties, for the abatement of such TAXING ENTITY's taxes in accordance therewith. If any provision of this Agreement is held to be invalid or unenforceable, the remainder of the Agreement shall be unaffected, but shall be enforced to the greatest extent permitted by law.
- 14. **VENUE.** This Agreement is executed in Titus County, Texas, is performable in Titus County, Texas, and shall be construed under the laws of the State of Texas. Venue for any lawsuit arising out of the terms or obligations of this Agreement shall be in Titus County, Texas.

CITY OF MOUNT PLEASANT

ATTEST:

CITY OF MOUNT PLEASANT, TEXAS

*Brenda Reynolds*  
 \_\_\_\_\_  
 BRENDA REYNOLDS, City Secretary

*Jerry Boatner*  
 \_\_\_\_\_  
 JERRY BOATNER, Mayor

*10/19/04*  
 \_\_\_\_\_  
 Date

TITUS COUNTY

ATTEST:

TITUS COUNTY, TEXAS

*Sherry Jo Mars*  
 \_\_\_\_\_  
 Sherry Jo Mars, Titus County Clerk

*Danny Pat Cooks*  
 \_\_\_\_\_  
 Danny Pat Cooks, Titus County Judge

\_\_\_\_\_  
 Date



*Exhibit A pg 6*

OWNER

ATTEST:

PRIEFERT MANUFACTURING, INC.

*William D. Priefert*  
\_\_\_\_\_  
William Priefert, President

*11-16-04*  
\_\_\_\_\_  
Date

PRIEFERT Mfg. Co., Inc.

INDUSTRIAL SITE

NORTH ADDITION  
Phase I

have Granted, Sold and Conveyed, and by these presents do Grant, Sell and Convey, unto the said

MARVIN JOHN PRIEFERT and WILLIAM DEAN PRIEFERT

of the County of Titus State of Texas all that certain lot, tract or parcel of land being 23.45 acres of land, more or less, out of the John Watson Survey, Abstract No. 619, described as follows:  
BEGINNING at a stake on the West boundary line of the John Watson H. R. Survey, 420 varas North of the Southwest corner of said survey;  
THENCE East 321.9 varas to the West side of the Mt. Pleasant and Pittsburg road, called State Highway No. 271;  
THENCE along the west side of said Highway, North 16 deg. 17' East 374.8 varas;  
THENCE West 394.7 varas to the East right-of-way of the St. Louis & Southwestern Railroad;  
THENCE South 13 deg. 14' West 141.1 varas along said right-of-way to a point on the West boundary line of the John Watson Survey;  
THENCE South along the West boundary line of the John Watson Survey 222.4 varas to the point or place of BEGINNING, containing 23.45 acres of land, more or less.  
And being the same land described in a deed from The Federal Land Bank of Houston to J. B. Ferrell dated April 3rd, 1936, and recorded in Vol. 115, page 44 of the Deed Records of Titus County, Texas, reference to said deed being here made for all purposes.  
LESS & EXCEPT approximately two (2) acres of land heretofore deeded to Roy D. Roberts by deed duly recorded in Vol. 241, page 451 of the Deed Records of Titus County, Texas reference to which is here made for all purposes.  
Also LESS & EXCEPT .564 acres of land heretofore conveyed to the State of Texas for

(OVER)

highway purposes.

VOL 424 PAGE 653

This conveyance is made and accepted subject to an easement to Arkansas-Louisiana Gas Co. covering the width of the land North and South and 90 feet East from the centerline of Highway 271.

It is specifically agreed and understood that Sunshine Ferrell Coker, one of the Grantors herein, is to have the exclusive use and benefit of the dwelling house located on the premises hereby conveyed and the land that same is situated on, together with the land that surrounds same and is enclosed by a mesh wire fence for a period of six (6) months from the date of this deed.



**Hampton & ASSOCIATES, INC.**

LAND SURVEYORS

FIELD NOTES FOR PMCI PROPERTIES II, L.P.

South Addition  
Phase I

Tract A — 17.004 Acres: All that certain tract or parcel of land situated in Titus County, State of Texas, a part of the John Watson Survey A-619 and the John Greenwood Survey A-231 and being a part of the City of Mt. Pleasant (no block identification assigned) and being all of that 17.004 acre Tract 1 conveyed by Guaranty Bank to Metal Industries, Inc. as recorded in Vol. 894, p. 205 of the Deed Records of said County and bounded as follows:

BEGINNING at a typical steel rod found for corner (typical steel rod is a ½" x 24" steel rod with surveyor's cap marked "Hampton"), the northeast corner of the aforementioned 17.004 acre tract and the southeast corner of that 23.45 acre tract conveyed by Sunshine Ferrell Coker et al to Marvin John Priefert and William Dean Priefert (Vol. 424, p. 652), said beginning corner lays at or near the northwest corner of that 0.726 acre tract conveyed by A. C. Anderson et ux to The State of Texas (Vol. 322, p. 385), said beginning corner lays in the west right-of-way line of U. S. Highway 271 — South Jefferson Avenue;

THENCE S 19°39'57" W along the east boundary line of the aforementioned 17.004 acre tract and the west right-of-way line of the Highway, 56.87 ft. to a typical steel rod found for called angle point by a concrete highway monument;

THENCE S 16°23'43" W continuing along the common boundary line, 321.00 ft. to a typical steel rod found for called angle point near a concrete highway monument;

THENCE S 9°37'58" W continuing along the common boundary line, 288.37 ft. to a typical steel rod found at the beginning of a curve to the left;

THENCE in a southwesterly direction around the curve and continuing along the common boundary line (Long Chord bears S 7°48'53" W, 308.24 ft.; Radius = 2944.79 ft.) through a Central Angle of 6°00'00" for a total distance of 308.38 ft. to a typical steel rod found at the end of the curve;

THENCE S 15°34'13" W continuing along the east boundary line of the 17.004 acre tract and the west right-of-way line of the Highway, 205.82 ft. to a typical steel rod reset for the called southeast corner of the 17.004 acre tract in the south boundary line of the Watson Survey and the north boundary line of the P. M. Otwell Survey A-419, said corner being the northeast corner of that .39 acre tract conveyed by Johnny C. Sargent to Carla S. Sargent (Vol. 395, p. 258);

THENCE S 89°27'41" W along the common Survey line and the south boundary line of the 17.004 acre tract and the north boundary line of the aforementioned .39 acre tract and continuing the same course along a north boundary line of those tracts conveyed by Marvin J. Priefert et ux to William Dean Priefert (Vol. 482, p. 737) in all a total distance of 289.23 ft. to a typical steel rod found for corner in the east boundary line of the St. Louis - Southwestern Railway Company tract, said corner being the southwest corner of the 17.004 acre tract;

THENCE N 22°39'39" W along the west boundary line of the 17.004 acre tract and the east boundary line of the Railway Company tract, 742.88 ft. to a typical steel rod reset at the called beginning of a curve to the right;

THENCE in a northwesterly direction continuing around the curve along the common boundary line (Long Chord bears N 12°13'19" W, 500.95 ft.; Radius = 1382.39 ft.) through a Central Angle of 20°52'41" for a total distance of 503.73 ft. to a typical steel rod found at the northwest corner of the 17.004 acre tract and the southwest corner of the aforementioned 23.45 acre Priefert tract;

THENCE S 88°35'45" E along the north boundary line of the 17.004 acre tract and the south boundary line of the 23.45 acre tract, 936.92 ft. to the place of beginning and containing 17.004 acres of land.

**Tract B -- 0.951 Acre:** All that certain tract or parcel of land situated in Titus County, State of Texas, a part of the John Watson Survey A-619 and being a part of the City of Mt. Pleasant (no block identification assigned) and being all of that 0.951 acre Tract 2 conveyed by Guaranty Bank to Metal Industries, Inc. as recorded in Vol. 894, p. 205 of the Deed Records of said County and bounded as follows:

BEGINNING at a 5/8" steel rod found at the occupied southwest corner of the Watson Survey and the northwest corner of the P. M. Otwell Survey A-419, said beginning corner lays in the east boundary line of the John Greenwood Survey A-231, said beginning corner being the southwest corner of the aforementioned 0.951 acre tract and is an ell corner in the north boundary line of those several tracts conveyed by Marvin J. Priefert et ux to William Dean Priefert (Vol. 482, p. 737);

THENCE N 0°19'20" W along the west boundary line of the Watson Survey and the east boundary line of the Greenwood Survey and the west boundary line of the 0.951 acre tract and the east boundary line of the aforementioned Priefert tract, 449.34 ft. to a 5/8" steel rod found for corner in the west boundary line of the St. Louis - Southwestern Railway Company tract, said corner being the called north point of the 0.951 acre tract;

THENCE S 22°39'39" E along the east boundary line of the 0.951 acre tract and the west boundary line of the Railway Company tract, 485.05 ft. to a typical steel rod found for corner (typical steel rod is a 1/2" x 24" steel rod with surveyor's cap marked "Hampton") in the south boundary line of the Watson Survey and the north boundary line of the Otwell Survey, said corner being the southeast corner of the 0.951 acre tract and a northeast corner of the Priefert tract;

THENCE S 89°27'41" W along the common Survey line and the south boundary line of the 0.951 acre tract and the north boundary line of the Priefert tract, 184.36 ft. to the place of beginning and containing 0.951 acre of land.



FIELD NOTES FOR CITY OF MT. PLEASANT - OLD AIRPORT TRACT

102.440 Acres: All that certain tract or parcel of land situated in Titus County, State of Texas, a part of the John Greenwood Survey A-231, the Walter H. Gilbert Survey A-232, the G. W. Graves Survey A-246 and the John Watson Survey A-619 and being a part of the City of Mt. Pleasant and being all of that 53.6 acre First Tract and all of that 28 acre Second Tract both conveyed by A. C. Hoffman et ux to City of Mt. Pleasant as recorded in Vol. 189, p. 57 of the Deed Records of said County and all of that 5 acre tract conveyed by C. C. Searcy et ux to The City of Mt. Pleasant (Vol. 200, p. 40) and being all of that 3.4 acre tract conveyed by A. C. Anderson to City of Mt. Pleasant (Vol. 236, p. 69) and being all of that .96 acre First Tract and all of that .96 acre Second Tract both described in that condemnation document (Vol. 237, p. 507) and being all of that 9.38 acre tract conveyed by Mt. Pleasant Industrial Foundation No. 2 to City of Mt. Pleasant, Texas (Vol. 416, p. 515) and bounded as follows:

BEGINNING at a typical steel rod set (typical steel rod is a 1/2" x 24" steel rod with surveyor's cap marked "Hampton") by a damaged typical steel rod found in the north boundary line of the Graves Survey and the south boundary line of the Gilbert Survey, said beginning corner being the occupied northeast corner of the aforementioned 9.38 acre tract and the most easterly southeast corner of that 52.900 acre tract conveyed by Elma Searcy to William Dean Priefert (Vol. 917, p. 15), said beginning corner lays in the curved west boundary line of the St. Louis - Southwestern Railway Company tract, said beginning corner lays within the pavement of Airport Road (No dedication of record);

THENCE in a southwesterly direction around a curve to the right in the east boundary line of the 9.38 acre tract and the west boundary line of the Railroad tract (Long Chord bears S 8°15'04" W, 221.85 ft.; Radius = 2764.79 ft.) through a Central Angle of 4°35'55" for a total distance of 221.91 ft. to a typical steel rod set for called corner;

THENCE S 79°26'59" E continuing along the common boundary line, 50.00 ft. to a typical steel rod set for called corner;

THENCE in a southwesterly direction around a curve to the right in the east boundary line of the 9.38 acre tract and the west boundary line of the Railroad tract (Long Chord bears S 12°05'49" W, 151.95 ft.; Radius = 2814.79 ft.) through a Central Angle of 3°05'36" for a total distance of 151.97 ft. to a typical steel rod set at the end of the curve;

THENCE S 13°38'37" W continuing along the east boundary line of the 9.38 acre tract and the west boundary line of the Railroad tract, pass a 5/8" steel rod found at the south point of the 9.38 acre tract in the east boundary line of the aforementioned 53.6 acre tract and continuing the same course in all a total distance of 2195.10 ft. to a typical steel rod set at the beginning of a curve to the left;

THENCE in a southwesterly direction continuing around the curve in the common boundary line (Long Chord bears S 1°04'28" W, 645.21 ft.; Radius = 1482.39 ft.) through a Central Angle of 25°08'20" for a total distance of 650.41 ft. to a typical steel rod set for corner, said corner being the occupied southeast corner of the 53.6 acre tract and the most easterly northeast corner of that 279 acre Fourth Tract (Anderson Farm) conveyed by Marvin J. Priefert et ux to William Dean Priefert (Vol. 482, p. 737 - Reference deed in Vol. 178, p. 193);

THENCE S 89°50'00" W along the south boundary line of the 53.6 acre tract and a north boundary line of the aforementioned 279 acre tract, 83.45 ft. to a typical steel rod set for corner by a fence corner post, said corner being the occupied northeast corner of the aforementioned 3.4 acre tract;

P.O. Box 1283 • 303 North Van Buren Avenue  
Mt. Pleasant, Texas 75456-1283 • VOICE/FAX: (903) 572-2076

THENCE S 2°21'08" E along the occupied east boundary line of the 3.4 acre tract and a west boundary line of the Priefert tract, 298.86 ft. to a typical steel rod set for occupied corner by a fence corner post;

THENCE N 89°54'44" W continuing along the fenced common boundary line, 450.98 ft. to a 1" steel pipe found for corner by a fence corner post at the occupied southwest corner of the 3.4 acre tract;

THENCE N 0°51'18" W along a fence for the occupied west boundary line of the 3.4 acre tract and an east boundary line of the Priefert tract, 296.66 ft. to a typical steel rod set for corner near a found 5/8" steel rod, said corner lays in the south boundary line of the 53.6 acre tract and is the occupied northwest corner of the 3.4 acre tract;

THENCE S 89°50'00" W along the fenced north boundary line of the 279 acre Priefert tract and the south boundary line of the 53.6 acre tract and continuing the same course along the south boundary line of the aforementioned 28 acre tract in all a total distance of 1730.66 ft. to a typical steel rod set for corner by a fence corner post at the occupied southwest corner of the 28 acre tract and the southeast corner of that 213.1 acre tract conveyed by C. H. Latson to Virgil Copeland (Vol. 221, p. 23);

THENCE N 1°55'25" E along the fenced west boundary line of the 28 acre tract and the east boundary line of the aforementioned 213.1 acre tract, 42.61 ft. to a typical steel rod set for called corner, said corner being the northwest corner of the 28 acre tract and the southwest corner of that 79.477 acre tract conveyed by Jim S. Williams, Jr. to William D. Priefert (Vol. 710, p. 193);

THENCE N 47°13'51" E along the fenced northwest boundary line of the 28 acre tract and the southeast boundary line of the aforementioned 79.477 acre tract, 2233.65 ft. to a 5/8" steel rod found for corner by a fence corner post, said corner being the northeast corner of the 28 acre tract and the southeast corner of the 79.477 acre tract, said corner lays in the west boundary line of the 53.6 acre tract;

THENCE N 0°03'33" E along the fenced west boundary line of the 53.6 acre tract and the east boundary line of the 79.477 acre tract, 1599.76 ft. to a 5/8" steel rod found for corner in the north boundary line of the Greenwood Survey and the south boundary line of the Gilbert Survey, said corner being the northwest corner of the 53.6 acre tract and the northeast corner of the 79.477 acre tract, said corner lays in the south boundary line of the aforementioned 52.900 acre tract, said corner lays at or near the centerline of an old road bed (not open to vehicular traffic), a witness fence corner post in the south line of the old road bears S 2° W, 18.7 ft. of said corner;

THENCE N 89°29'47" E generally along the centerline of the old road and the common Survey line and the north boundary line of the 53.6 acre tract and a south boundary line of the 52.900 acre tract, 15.83 ft. to a typical steel rod found for corner near a found 5/8" steel rod, said corner being a called southeast corner of the 52.900 acre tract and the southwest corner of the aforementioned .96 acre Second Tract, a witness fence corner post bears N 3° E, 15.2 ft. of said corner;

THENCE N 0°02'31" E along the called west boundary line of the .96 acre Second Tract and an east boundary line of the 52.900 acre tract, 554.67 ft. to a typical steel rod found for the called northwest corner of the .96 acre tract and an angle point in the east boundary line of the 52.900 acre tract, said corner lays in the west boundary line of the aforementioned 5 acre tract;

THENCE N 22°44'46" W continuing along the called common boundary line, 67.10 ft. to a 5/8" steel rod found for corner by a fence corner post, said corner being the northwest corner of the 5 acre tract and an ell corner in the boundary line of the 52.900 acre tract;

THENCE S 89°57'40" E along the fenced north boundary line of the 5 acre tract and a south boundary line of the 52.900 acre tract, 551.84 ft. to a 5/8" steel rod found for corner by a fence corner post at the occupied northeast corner of the 5 acre tract and an ell corner in the boundary line of the 52.900 acre tract;

THENCE S 22°47'46" W along the called common boundary line, 67.08 ft. to a typical steel rod found for the called northeast corner of the aforementioned .96 acre First Tract and an angle point in a west boundary line of the 52.900 acre tract;

THENCE S 0°02'18" W continuing along the common boundary line, 538.07 ft. to a typical steel rod found for angle point;

THENCE S 5°06'57" W, 16.50 ft. to a 5/8" steel rod found for corner in the south boundary line of the Gilbert Survey and the north boundary line of the Greenwood Survey, said corner being the southeast corner of the .96 acre First Tract and a southwest corner of the 52.900 acre tract, said corner lays in the north boundary line of the 53.6 acre tract;

THENCE N 89°43'49" E along the common Survey line and the south boundary line of the 52.900 acre tract and the north boundary line of the 53.6 acre tract, pass a steel railroad spike found at the northeast corner of the 53.6 acre tract and the northwest corner of the 9.38 acre tract and continuing the same course in all a total distance of 644.55 ft. to the place of beginning and containing 102.440 acres of land.

I, Dan Hampton, Registered Professional Land Surveyor 3889, do hereby certify the field notes hereon truly and correctly represent a survey made by me on the ground.

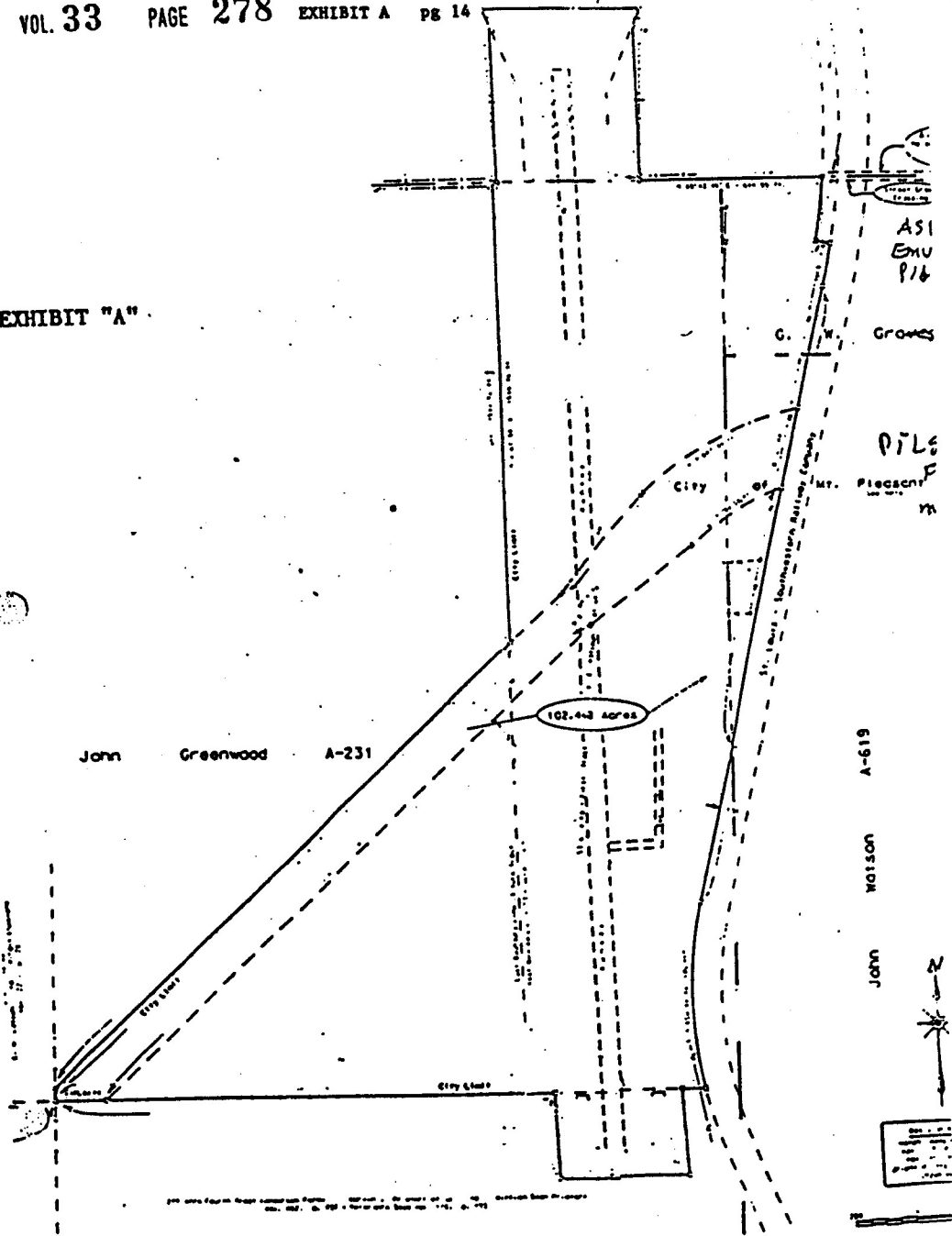
Given under my hand and seal this 28<sup>th</sup> day of August, 2002.

  
REGISTERED PROFESSIONAL LAND SURVEYOR 3889

These Field Notes and accompanying Survey Plat of this same date and certification were prepared for the use of City of Mt. Pleasant in six original prints signed with green ink and with impression seal.



EXHIBIT "A"



**Exhibit B**  
**Attachment to Application for Industrial Development Funds**  
**and Tax Abatement**

Priefert Manufacturing is commencing a three year project involving the expansion of existing facilities on Highway 271 as well as the construction of new, separate manufacturing facilities on adjacent property commonly referred to as the "old airport".

Phase I of this project encompasses the addition of approximately 85,000 sq ft to the existing main plant at 2630 South Jefferson. This facility will be utilized to accommodate the expansion in our existing machine shop, metal bending and cutting operations, and production welding space. Additional storage space for the associated raw materials is also accommodated.

This phase will allow Priefert to meet the present growing demand for our products which are delivered nationwide as well as internationally. We will begin utilizing the space and adding employees as completed space is available. The timeline for completion of this Phase is scheduled for December 31, 2004.

The estimated cost of this phase is broken down as follows:

Buildings (insulated, lighted & wired)	\$1,275,000
Overhead Bridge Crane-(one in North Building)	\$ 50,000
Additional machines & equipment	<u>\$ 100,000</u>
Total	\$1,425,000

Phase II of the project actually started with the purchase of the old Mt. Pleasant Airport directly west and across the railroad tracks from the main plant. The development of that property into the future modern facilities which Priefert has planned will commence in the spring of 2005 and be completed by June 30, 2007.

That property will be developed in stages over many years, but the initial stage has a definite timeline of 24 months. In the first 24 months approximately 75,000 sq ft of new building is planned to support the new shipping and production powder coat painting line which our growth demands. The new painting equipment will be a significant investment, and will incorporate some purchased components as well as a greater portion of self constructed components. The bridge cranes are primarily self constructed building additions, and are progressed during operations after occupying the completed additions.

The estimated cost of Phase II (initial stage) is broken down as follows:

Buildings (insulated, lighted & wired)	\$1,500,000
Overhead Bridge Cranes	\$ 100,000
Powder Coat Paint Line	\$1,750,000
Additional machines & equipment	<u>\$ 50,000</u>
Total	\$3,400,000

Preliminary financing has already been put into place to fund both phases as the capital expenditures progress.

Sincerely,

David K. Smith, CPA  
Vice President - Finance

## MINUTE ORDER

**CONSIDER APPROVING A TAX ABATEMENT AGREEMENT BETWEEN  
THE CITY OF MOUNT PLEASANT AND PRIFERT MANUFACTURING, INC.**

Motion was made by Council Member Mars, second by Council Member Meriwether, to approve a tax abatement agreement between the City of Mount Pleasant and Priefert Manufacturing, Inc. Priefert will receive a 90% abatement of city and county taxes for a period of four years and a 75% abatement for years 5-7. This agreement is within the guidelines adopted by Council in February, 2004 and it meets the requirements established by the State. It will not impact the school district, hospital or college. Upon a vote, motion carried unanimously.

I, Brenda Reynolds, City Secretary of the City of Mt. Pleasant, certify that the above item is the true and correct action taken during the Regular Meeting of the City Council on October 19, 2004.

*Brenda Reynolds*  
Brenda Reynolds, City Secretary



## Titus County Commissioners' Court

Mt. Pleasant, Texas

## RESOLUTION

WHEREAS, The Titus County Commissioners Court has agreed that the expenditure of the funds in accordance with any agreement between Titus County and the State of Texas, Office of the Secretary of State pursuant to Title 1, Section 101 and Title II, Section 251 of the Help America Vote Act (HAVA), Public Law 107-252, October 29, 2002; 42 U.S.C. 15301 shall be, or, in the case of retroactive payments, was in consultation and agreement with the county election officials, and the county financial officer of Titus County; and

WHEREAS, The Titus County election officials include the following: the county judge, county clerk and voter registrar; and

WHEREAS, The Titus County Commissioners Court has agreed that in the event of loss, misuse, or noncompliance pursuant to any grant award agreement with the Secretary of State, The Titus County Commissioners Court assures that the funds will be returned to the Office of the Secretary of State in full; and

WHEREAS, The Titus County Commissioners Court has agreed that the county judge will serve as the COUNTY authorized official. The authorized official is the signing authority on behalf of the COUNTY.

SIGNED AND APPROVED the 8<sup>th</sup> day of November, 2004.

Lanny Crookes  
Titus County Judge

Lanny Crookes  
Titus County Judge

R.P. "Bob" Fitch  
Commissioner, Precinct 1

[Signature]  
County Auditor

Mike Field  
Commissioner, Precinct 2

Sherry Jo Mars  
County Clerk

Billy D. Thompson  
Commissioner, Precinct 3

Judy Cook  
County Voter Registrar

Thomas E. [Signature]  
Commissioner, Precinct 4

## The State of Texas



Geoffrey S. Connor  
Secretary of State

September 14, 2004

Elections Division  
P.O. Box 12060  
Austin, Texas 78711-2060  
www.sos.state.tx.us

Phone: 512-463-5650  
Fax: 512-475-2811  
TTY: 7-1-1  
(800) 252-VOTE (8683)

RECEIVED

SEP 20 2004

TITUS COUNTY JUDGE

The Honorable Danny Pat Crooks *Dak*  
Titus County Judge  
100 W. 1st, Suite 200  
Mt. Pleasant, Texas 75455 *9-23-04*

Dear Judge Crooks:

The Office of the Secretary of State (SOS) is pleased to inform you that the funding pursuant to Title 1, Section 101 and Title II, Section 251 of the Help America Vote Act (HAVA), Public Law 107-252, October 29, 2002; 42 U.S.C. 15301 is available to Titus County for award. Attached is a grant award agreement that covers the terms and conditions that apply to the funding. Please review this document carefully as it contains valuable information. The Titus County election official(s) and financial officer have been copied on this letter, but only your office has been supplied with a copy of the award agreement. However, the terms and conditions of the award agreement, which includes all of the section references contained in this letter, can be accessed at the following website address: <http://www.sos.state.tx.us/elections/hava/index.shtml> under the "HAVA Funding and other Grant Resources" link. Also available on that website are links to the Texas Uniform Grant Management Standards and the relevant US Office of Management and Budget (OMB) Circulars that are adopted by reference in Section 4 of the award agreement.

As the chief executive officer of the county, you will be required to sign the award agreement. To secure the funding, there are three basic steps:

1. The attached award agreement must be signed and returned to the following address:  
Office of the Secretary of State  
Elections Division  
c/o Dan Glotzer  
PO Box 12060  
Austin, Texas 78711-2060
2. A resolution from the Titus County Commissioners Court, which must be consistent with the language described in Section 13 of the award agreement, must be submitted along with the signed award agreement.
3. The forms located on the Texas HAVA online grant system described in Section 14 of the award agreement must be satisfactory completed.

**FUNDING ALLOCATIONS**

There are three basic purpose areas of funding for the county as identified in the Texas HAVA State Plan, which include the following: 1) County Education Fund, 2) Accessible Voting System in Each Polling Place, and 3) General HAVA Compliance. The funding breakdown for Titus County is as follows:

Under the County Education Fund, Titus County will have \$7,000.00 available for reimbursement (no advances will be disbursed). In general, these funds can be used for costs incurred as a result of attending professional election training such as conferences and seminars. If your county has a single office that is

responsible for conducting elections and voter registration such as an elections administrator, then the expenditures under this fund may be incurred by that office. However, if the county has multiple offices responsible for conducting elections and voter registration (i.e., the county clerk and voter registrar), the expenditures must be incurred in consultation and agreement with the two offices.

→ Under the Accessible Voting System in Each Polling Place purpose area, Titus County will have \$60,000.00 available for reimbursement. These funds can be used to purchase voting equipment consistent with the mandates described in Section 9 of the award agreement.

→ Under the General HAVA Compliance purpose area, Titus County will have \$26,036.83 available for reimbursement. These funds can be used for general compliance with the Title III requirements of HAVA, which are listed in Section 6 of the award agreement.

#### ACCESSING THE TEXAS HAVA GRANT WEBSITE

The Texas HAVA Online Grant System will be accessible September 17 at <http://www.sos.state.tx.us/elections/hava/index.shtml>. Instructions on how to complete the online forms are included in the grant system.

Your user ID and password are included below. The copies of this letter sent to the county election official(s) and the county financial officer contain their unique username and password. The election official(s) and financial officer will have read-only access. After the SOS has received the signed agreement, the resolution from the commissioners court, and the online forms have been submitted via the grant system, the SOS will review the documents and online forms for accuracy and completeness. Upon SOS approval, an email notification will be sent to you, the election official(s), and the financial officer. At that time, the financial officer will have access to submit reimbursement requests via the grant system.

Username: dpcrooks  
Password: uratabai

All users are encouraged to access the system and update their contact information as soon as possible, especially email addresses because many communications and notifications will be in the form of email.

Please note, the SOS is currently working with the Texas Building and Procurement Commission to establish standard costs for each of the DRE machines certified in Texas to ensure each political subdivision is afforded a competitive price. We hope to have those contracts in place by November or December of 2004.

If you have any questions, please contact our HAVA grant manager, Dan Glotzer, at 512.463.9861 or [dglotzer@sos.state.tx.us](mailto:dglotzer@sos.state.tx.us).

Sincerely,



Ann McGeehan  
Director of Elections

cc: Sherry Jo Mars, County Clerk  
Judy Cook, Tax Assessor-Collector  
Christie Robertson, Assistant Auditor

Elections Division  
P.O. Box 12060  
Austin, Texas 78711-2060  
www.sos.state.tx.us



Phone: 512-463-5650  
Fax: 512-475-2811  
TTY: 7-1-1  
(800) 252-VOTE (8683)

Geoffrey S. Connor  
Secretary of State

HELP AMERICA VOTE ACT GRANT AWARD AGREEMENT

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**Part A – General****SECTION 1. AUTHORITY**

- 1.1. This agreement is made by TITUS COUNTY ("COUNTY") to the STATE OF TEXAS, OFFICE OF THE SECRETARY OF STATE ("SOS") and is authorized pursuant to Title I, Section 101 (CFDA No. 39.011) and Title II, Section 251 (CFDA No. TBA) of the Help America Vote Act (HAVA), Public Law 107-252, October 29, 2002; 42 U.S.C. 15301.

**SECTION 2. SOURCE**

- 2.1. The funding identified in this agreement is federal funding from (federal) fiscal year 2003 appropriated funds with applicable state match coming from 2004/2005 (state) fiscal year appropriated funds:
- 2.1.1. Title I, Section 101 – 100% federal (see Section 6.1 of this agreement for purpose area).
  - 2.1.2. Title II, Section 251 – 95% federal / 5% state (see Sections 6.2 and 6.3 of this agreement for purpose areas).

**SECTION 3. APPLICABILITY**

- 3.1. The terms and conditions set forth in this agreement apply to and must be adhered to by the COUNTY referenced in Section 1 of this agreement.

**SECTION 4. ADOPTIONS BY REFERENCE**

- 4.1. Although the SOS has attempted to highlight the most relevant rules and guidelines through this agreement, the COUNTY must abide by the applicable Office of Management and Budget (OMB) Circulars and the Uniform Administrative Uniform Grant Management Standards (UGMS) adopted pursuant to the Uniform Grant and Contract Management Act of 1981, Chapter 783, Texas Government Code (see Texas Administrative Code Title 1, Part 1, Chapter 5, Subchapter A, Division 4, §§5.141 - 5.167).
- 4.2. UGMS incorporates the relevant OMB Circulars as outlined below:
- 4.2.1. Cost Principles for State and Local Governments and Other Affected Entities (Chapter II of UGMS, which incorporates OMB Circular A-87).
  - 4.2.2. State Uniform Administrative Requirements for Grants and Cooperative Agreements (Chapter III of UGMS, which incorporates OMB Circular A-102 and "Common Rule", Administrative Requirements, 53 FR 8087, March 11, 1988).
  - 4.2.3. State of Texas Single Audit Circular (Chapter IV of UGMS, which incorporates OMB Circular A-133).
- 4.3. The OMB Circulars can be found at <http://www.whitehouse.gov/omb/circulars/> and UGMS can be accessed through the Governor's Office website at <http://www.governor.state.tx.us/>.

**SECTION 5. GRANT OFFICIALS**

- 5.1. Authorized Official – The COUNTY judge must serve as the authorized official for the COUNTY and must be designated as such in the resolution (see Section 13.1.4 of this agreement). The authorized official has signing authority on behalf of the COUNTY and is responsible for ensuring the necessary forms are submitted through the Texas HAVA online grant system (see Section 14 of this agreement).
- 5.2. Election Official(s) – The COUNTY election official(s) include the executive officer(s) of the offices(s) responsible for conducting elections and maintaining the voter registration list in the COUNTY (e.g., the elections administrator or the county clerk and/or voter registrar). The election official(s) of the COUNTY must be consulted and concur with all expenditures pursuant to this agreement (see Section 13.1.1 of this agreement).

- 5.3. Financial Officer – The COUNTY auditor or treasurer must serve as the financial officer for the county. The financial officer is responsible for establishing and maintaining financial records to accurately account for funds awarded to the COUNTY. These records shall include both federal funds and all matching funds of state and local organizations, when applicable. The financial officer is also responsible for requesting payments through the Texas HAVA online grant system (see Section 17 of this agreement).

## SECTION 6. FUNDING PURPOSE AREAS

- 6.1. County Education Fund
- 6.1.1. These funds are to be used for reimbursement of costs incurred as a result of attending professional election training such as conferences and seminars.
  - 6.1.2. Expenditures under this fund may be incurred by the offices(s) of the COUNTY election official(s) as defined in Section 5 of this agreement. If the election duties are split between more than one office (e.g., the county clerk and voter registrar), funding must be made available and expended in consultation and agreement between the offices.
- 6.2. Accessible Voting System in Each Polling Place
- 6.2.1. These funds are to be used for reimbursement of costs incurred as a result of acquiring a HAVA-compliant accessible voting system in each polling location.
  - 6.2.2. This requirement may be met by having at least one accessible direct recording electronic voting system ("DRE") or other system equipped for individuals with disabilities at each polling place.
- 6.3. General Title III Compliance
- 6.3.1. Upgrading voting systems to comply with new federal standards.
    - a) Funds may be used for reimbursement of costs incurred as a result of purchasing equipment or software consistent with Section 9 of this agreement.
  - 6.3.2. Acquiring an accessible voting system in each polling place.
    - a) Refer to Section 6.2 of this agreement.
  - 6.3.3. Voter education – Funds may be used for reimbursement of costs incurred as a result of educating voters on the following:
    - a) How to verify/review selections before casting the vote.
    - b) How to change or correct any error on the ballot before casting the vote.
    - c) How to avoid over-voting.
    - d) How individuals with disabilities, including non-visual accessibility for the blind and visually impaired, can access the voting system in a manner that provides the same opportunity for privacy and independence as other voters.
    - e) How the county's voting system provides alternative language accessibility pursuant to the requirements of Section 203 of the Voting Rights Act of 1965.
    - f) What constitutes the uniform definition of the voting system(s) in use in the county.
    - g) How to vote a provisional ballot, including written information on how the voter can ascertain whether his or her vote was counted, and if not counted, the reason given.
  - 6.3.4. Voter education – Funds may be used for reimbursement of costs incurred as a result of producing the following information to be posted at each polling place on the day of an election:
    - a) A sample version of the ballot that will be used for that election.

- b) Information regarding the date of the election and the hours during which polling places will be open.
- c) Instructions on how to vote, including how to cast a vote and how to cast a provisional ballot.
- d) Instructions for mail-in registrants and first-time voters under section 303(b) of HAVA.
- e) General information on voting rights under applicable Federal and State laws, including information on the right of an individual to cast a provisional ballot and instructions on how to contact the appropriate officials if these rights are alleged to have been violated.
- f) General information on Federal and State laws regarding prohibitions on acts of fraud and misrepresentation.

**6.3.5. Election worker education – Funds may be used for reimbursement of costs incurred as a result of educating election workers on the following:**

- a) How a voter verifies/reviews selections before casting the vote.
- b) How a voter changes or corrects any error on the ballot before casting the vote.
- c) How a voter avoids over-voting.
- d) How individuals with disabilities, including non-visual accessibility for the blind and visually impaired, can access the voting system in a manner that provides the same opportunity for privacy and independence as other voters.
- e) How the county's voting system provides alternative language accessibility pursuant to the requirements of Section 203 of the Voting Rights Act of 1965.
- f) What constitutes the uniform definition of the voting system(s) in use in the county.
- g) Provisional voting procedures.

**SECTION 7. ELIGIBLE FUNDING BY PURPOSE AREA**

- 7.1. Each allotment of funding outlined below will have its own budget and grant period and must be accounted for separately in the Texas HAVA online grant system, as well as the COUNTY accounting records:

- 7.1.1. County Education Fund – \$7,000.00
- 7.1.2. Accessible Voting System in Each Polling Place – \$60,000.00
- 7.1.3. General Title III Compliance – \$26,036.83

**SECTION 8. VOTING SYSTEM DEADLINE**

- 8.1. Effective January 1, 2006, precincts within the requesting county cannot use a punch card or lever voting system for an election.
- 8.2. Effective January 1, 2006, each polling place within the requesting county must have a voting system that will be accessible for individuals with disabilities, including non-visual accessibility for the blind and visually impaired, in a manner that provides the same opportunity for privacy and independence as other voters.

**SECTION 9. VOTING MACHINE STANDARDS**

- 9.1. The COUNTY ensures all voting systems comply with the following:
- 9.1.1. Permit voter to verify/review selections before casting the vote.
  - 9.1.2. Allow voter to change or correct any error on the ballot before casting the vote.
  - 9.1.3. Prevent or alert voter if he/she over-votes on the ballot.

- 9.1.4. Produce a permanent paper record with a manual audit capacity.
- 9.1.5. Be accessible for individuals with disabilities, including non-visual accessibility for the blind and visually impaired, in a manner that provides the same opportunity for privacy and independence as other voters. (This requirement may be met by having at least one DRE or other system equipped for individuals with disabilities at each polling site.)
- 9.1.6. Provide alternative language accessibility pursuant to the requirements of Section 203 of the Voting Rights Act of 1965.
- 9.1.7. Ensure error rates (machine errors only) do not exceed the Federal Election Commission or Election Assistance Commission standards.
- 9.1.8. Maintain consistency with the uniform definition of what constitutes a vote for each voting system in use in the state.
- 9.1.9. Title 8 of the Texas Election Code.

#### SECTION 10. PAPER AND CENTRAL COUNT VOTING SYSTEMS

- 10.1. A COUNTY that uses a paper ballot voting system or a central count voting system (including mail-in absentee ballots and mail-in ballots), may meet the requirements in Section 9 of this agreement by--
  - 10.1.1. Establishing a voter education program specific to that voting system that notifies each voter of the effect of casting multiple votes for an office; and
  - 10.1.2. Providing the voter with instructions on how to correct the ballot before it is cast and counted (including instructions on how to correct the error through the issuance of a replacement ballot if the voter was otherwise unable to change the ballot or correct any error).
- 10.2. This Section does not in any manner eliminate the requirement of Section 8.2 of this agreement, which requires that each polling place must have at least one accessible voting system effective January 1, 2006.
- 10.3. The voting system shall ensure that any notification required under this Section preserves the privacy of the voter and the confidentiality of the ballot.

#### SECTION 11. STATE VOTING SYSTEM CERTIFICATION

- 11.1. As a condition of funding and pursuant to Section 123.035 of the Election Code, any contract for the acquisition of voting system equipment executed on or after September 1, 2003 must be in writing and be approved by the SOS as to compliance of the voting system and voting system equipment with the applicable requirements.
  - 11.1.1. A copy of the relevant portions of the contract containing only the identifying information that the SOS needs to determine whether the version of the system and equipment being acquired under the contract complies with the applicable requirements must be submitted to the SOS.
- 11.2. Pursuant to Section 11.1 of this agreement, the COUNTY may not request reimbursement unless it has received a letter from the state confirming that the voting system and voting system equipment being acquired under the contract satisfies the applicable requirements for approval.

#### Part B – Pre-Award Requirements

##### SECTION 12. GRANT AWARD PROCESS

- 12.1. The grant award will be comprised of the following:
  - 12.1.1. This agreement signed by the county judge and the secretary of state.
  - 12.1.2. The resolution described in Section 13 of this agreement.

12.1.3. Satisfactory completion of the forms described in Section 14 of this agreement.

**SECTION 13. RESOLUTION FROM THE GOVERNING BODY**

13.1. The COUNTY shall submit with this agreement a resolution from its governing body which includes, at a minimum, the following:

13.1.1. \_\_\_\_\_ Commissioners Court has agreed that the expenditure of the funds in accordance with any agreement between \_\_\_\_\_ County and the State of Texas, Office of the Secretary of State pursuant to Title 1, Section 101 and Title II, Section 251 of the Help America Vote Act (HAVA), Public Law 107-252, October 29, 2002; 42 U.S.C. 15301 shall be, or, in the case of retroactive payments, was in consultation and agreement with the county election official(s) and the county financial officer of \_\_\_\_\_ County.

13.1.2. The \_\_\_\_\_ County election official(s) include the following:  
(The office of the officials must be listed out – e.g., the elections administrator, the county clerk, the voter registrar, etc. The actual names of the officeholders do not need to be listed.)

13.1.3. \_\_\_\_\_ Commissioners Court has agreed that in the event of loss, misuse, or noncompliance pursuant to any grant award agreement with the Secretary of State, \_\_\_\_\_ Commissioners Court assures that the funds will be returned to the Office of the Secretary of State in full.

13.1.4. \_\_\_\_\_ Commissioners Court has agreed that the county judge will serve as the COUNTY authorized official. The authorized official is the signing authority on behalf of the COUNTY.

13.2. The resolution must be signed by the COUNTY election official(s) and the COUNTY financial officer as defined in Section 5 of this agreement.

**SECTION 14. FORMS FOR APPLYING FOR GRANT FUNDING**

14.1. The COUNTY must use forms prescribed by the SOS through the Texas HAVA online grant system.

- 14.1.1. The forms will require the COUNTY to provide the following information:
- a) Basic county information.
  - b) Grant official confirmation.
  - c) Proposed activities per purpose area.
  - d) A budget for each purpose area.

14.2. The SOS reserves the right to require additional information as needed.

**SECTION 15. CERTIFIED ASSURANCES**

15.1. By signing this agreement and as the duly authorized representative of the COUNTY, the county judge certifies that the COUNTY:

- 15.1.1. Complies with the required assurances listed in Chapter III (State Uniform Administrative Requirements for Grants and Cooperative Agreements), Subpart B, Section 14 of the Uniform Grant Management Standards.
- 15.1.2. Will not construe the availability of these funds to authorize or require conduct prohibited under any of the following laws, or to supersede, restrict, or limit the application of such laws: the Voting Rights Act of 1965 (42 U.S.C. 1973 et seq.); the Voting Accessibility for the Elderly and Handicapped Act (42 U.S.C. 1973ee et seq.); the Uniformed and Overseas Citizens Absentee Voting Act (42 U.S.C. 1973ff et seq.); the National Voter Registration

- Act of 1993 (42 U.S.C. 1973gg et seq.); the Americans with Disabilities Act of 1990 (42 U.S.C. 12101 et seq.); and the Rehabilitation Act of 1973 (29 U.S.C. 701 et seq.).
- 15.1.3. Will allow the SOS, the Comptroller General of the United States, the State Auditor's Office, any successor agency, or duly authorized representative to audit or investigate the expenditure of funds under this agreement. The COUNTY further agrees to cooperate fully with the audit or investigation, including providing all records requested such as papers, or documents related to the award; and will establish a proper accounting system in accordance with generally accepted accounting standards or agency directives. The COUNTY will ensure that this clause concerning the authority to audit or investigate state funds received indirectly by subcontractors through the COUNTY, along with the requirement to cooperate, is included in any subcontract it awards.
  - 15.1.4. Will obtain the required financial and compliance audits in accordance with the Single Audit Act Amendments of 1996 and OMB Circular No. A-133, "Audits of States, Local Governments, and Non-Profit Organizations".
  - 15.1.5. Will comply with federal retention requirements of maintaining records for at least three years following the submission of the final expenditure report. If any litigation, claim, negotiation, audit or other action involving the records has been started before the expiration of the 3-year period, the records must be retained until completion of the action and resolution of all issues which arise from it, or until the end of the regular 3-year period, whichever is later.
  - 15.1.6. Will comply with all applicable requirements of all other Federal laws, executive orders, regulations, and policies governing this program - including the Uniform Grant Management Standards published by the Texas Governor's Office of Budget and Planning and applicable OMB Circulars.

### Part C - Post-Award Requirements

#### SECTION 16. FINANCIAL MANAGEMENT STANDARDS

- 16.1. The financial management system of the COUNTY must meet the following standards:
  - 16.1.1. Financial reporting. Accurate, current, and complete disclosure of the financial results of financially assisted activities must be made in accordance with the financial reporting requirements of the grant award.
  - 16.1.2. Accounting records. The COUNTY must maintain records which adequately identify the source and application of funds provided for financially-assisted activities. These records must contain information pertaining to grant awards and authorizations, obligations, unobligated balances, assets, liabilities, outlays or expenditures, and income.
  - 16.1.3. Internal control. Effective control and accountability must be maintained for all grant award cash, real and personal property, and other assets. The COUNTY must adequately safeguard all such property and must assure that it is used solely for authorized purposes.
  - 16.1.4. Budget control. Actual expenditures or outlays must be compared with budgeted amounts for each grant award. Financial information must be related to performance or productivity data, including the development of unit cost information whenever appropriate or specifically required in the grant award agreement. If unit cost data are required, estimates based on available documentation will be accepted whenever possible.
  - 16.1.5. Allowable cost. Applicable OMB cost principles, agency program regulations, and the terms of grant award agreement will be followed in determining the reasonableness, allowability, and allocability of costs.

- 16.1.6. Source documentation. Accounting records must be supported by such source documentation as canceled checks, paid bills, payrolls, time and attendance records, contract and grant award documents, etc.
- 16.2. The SOS or its designee may review the adequacy of the financial management system of any applicant for financial assistance as part of a pre-award review or at any time subsequent to award.

**SECTION 17. PAYMENT**

- 17.1. All payments will be made on a cost reimbursement basis no more than once a month based on actual expenditures.
- 17.1.1. The COUNTY may charge to the award only costs resulting from obligations during the funding period.
- 17.1.2. A grantee must liquidate all obligations incurred under the award not later than 90 days after the end of the funding period.
- 17.1.3. Payments shall be requested by the COUNTY financial officer via the Texas HAVA online grant system.
- 17.2. Earned program income for the period in which funds are being requested must be reported with the request.

**SECTION 18. ALLOWABLE COSTS**

- 18.1. Grant funds must be expended in accordance with Chapter II (Cost Principles for State and Local Governments and Other Affected Entities) of UGMS.
- 18.2. Grant funds may only be used for activities approved through the grant award process.
- 18.3. The following are some of the unallowable costs outlined in Chapter II of UGMS (refer to UGMS to review all unallowable costs):
- 18.3.1. Membership dues for individuals (the membership must be for the governmental unit).
- 18.3.2. Costs of promotional items including, but not limited to, hats, drink coolers, t-shirts, toys, pens, pencils, jackets, frisbees, emery boards, fans, dominoes, windshield shades, change purses, and other such novelties or items of nominal value.
- 18.3.3. Costs of advertising and public relations designed solely to promote the governmental unit.
- 18.3.4. Costs of publicizing or directing attention to any individual official or employee of the COUNTY.
- 18.3.5. Costs associated with influencing the outcome of any election, or the passage or defeat of any legislative measure.
- 18.4. In addition to the unallowable costs outlined in Chapter II of UGMS, the following uses are not eligible for funding:
- 18.4.1. Personnel costs.
- 18.4.2. Indirect costs.
- 18.5. The following are guidelines that must be adhered to for travel reimbursements:
- 18.5.1. The COUNTY will be held to the state lodging, mileage, and per diem rates or the COUNTY rates, whichever is less.
- 18.5.2. All reimbursements are limited to the actual cost of meals.
- 18.5.3. Claims may not include: alcoholic beverages, tips, room service, or expenses for any person other than the traveling employee.

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- 18.5.4. Claims may only be made for travel outside of the employee's headquartering city.
- 18.6. The following are the applicable state rates for travel:
- 18.6.1. Lodging: Up to \$80.00 per day.
- 18.6.2. Meals: Overnight Travel - up to \$30.00 per day; Non-overnight Travel - \$0.
- 18.6.3. Mileage: 35.0 cents per mile.
- 18.7. This agreement automatically adopts any legislative change to the rates at the time of the legislative effective date.
- 18.8. The following receipts must be retained for audit purposes:
- 18.8.1. Lodging - check-out document reflecting zero balance due.
- 18.8.2. Parking fees incurred for personal vehicle or car rental.
- 18.8.3. Taxi fares - date, destination, and amount.
- 18.8.4. Gasoline purchased for rental car.
- 18.8.5. Auto rental contract and receipt.

**SECTION 19. PERIOD OF AVAILABILITY OF FUNDS (GRANT PERIOD)**

- 19.1. Obligations incurred as a result of acquiring voting equipment, which meets the requirements of Section 301 of HAVA and was acquired after the regularly-scheduled general election for federal office held in November of 2000, may be reimbursed as long as the expenditures are consistent with this agreement.
- 19.2. Obligations means the amounts of orders placed, contracts, goods and services received, and similar transactions during the grant period that require payment by the COUNTY.
- 19.3. Payments may be requested for obligations incurred during the following time periods:
- 19.3.1. County Education Fund - June 1, 2004 thru August 31, 2006.
- 19.3.2. Accessible Voting System in Each Polling Place - As described in Section 19.1 of this agreement thru August 31, 2006.
- 19.3.3. General Title III Compliance:
- a) Upgrading voting systems to comply with new federal standards - As described in Section 19.1 of this agreement thru August 31, 2006.
  - b) Acquiring an accessible voting system in each polling place - As described in Section 19.1 of this agreement thru August 31, 2006.
  - c) Voter education - September 1, 2004 thru August 31, 2006.
  - d) Election worker education - September 1, 2004 thru August 31, 2006.

**SECTION 20. PROGRAM INCOME**

- 20.1. Program income means gross income received by the COUNTY directly generated by a grant supported activity, or earned only as a result of the grant agreement during the grant period. "During the grant period" is the time between the effective date of the award and the ending date of the award reflected in the final reimbursement request.
- 20.2. Program income earned during the grant period must be reported when requesting reimbursements as described in Section 17.2 of this agreement.

**SECTION 21. AUDIT**

- 21.1. During the grant period, for each COUNTY fiscal year in which the COUNTY expends \$500,000 or more of combined federal funding, the COUNTY is responsible for obtaining an audit in



accordance with the Single Audit Act (Amendments of 1996 (31 U.S.C. 7501-7507) and revised OMB Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations". Any such audits shall be made by an independent auditor in accordance with generally accepted government auditing standards covering financial audits.

- 21.2. If, after a fiscal year in which grant funds are expended, the COUNTY determines an audit is not required according to OMB Circular A-133, the COUNTY shall make such certification through the Texas HAVA online grant system. The COUNTY'S chief financial officer shall make the certification within 60 days of the end of the COUNTY'S fiscal year.

#### SECTION 22. CHANGES

- 22.1. The following post-award changes in budgets and projects require prior written approval in the form of a grant adjustment.
- 22.1.1. Cumulative transfers among direct cost categories which exceed ten percent of the current award.
  - 22.1.2. Transfer of funds allotted for training allowances to other expense categories.
  - 22.1.3. Any needs for additional funding or extension of grant period.
  - 22.1.4. Any revision of the scope or objectives of the project.
- 22.2. All grant adjustment requests must be submitted prior to the end of the grant period.
- 22.3. The SOS reserves the right to make changes to the grant award at any time. The County will be notified in writing or through the Texas HAVA online grant system of all changes prior to the change taking effect.

#### SECTION 23. PROPERTY MANAGEMENT

- 23.1. Procedures for managing equipment (including replacement equipment), whether acquired in whole or in part with grant funds, until disposition takes place will, at a minimum, meet the following requirements:
- 23.1.1. Property records must be maintained that include a description of the property, a serial number or other identification number, the source of property, who holds title, the acquisition date, and cost of the property, percentage of the SOS participation in the cost of the property, the location, use and condition of the property, and any ultimate disposition data including the date of disposal and sale price of the property.
  - 23.1.2. A physical inventory of the property must be taken and the results reconciled with the property records at least once every two years.
  - 23.1.3. A control system must be developed to ensure adequate safeguards to prevent loss, damage, or theft of the property. Any loss, damage, or theft shall be investigated. Certain types of equipment are classified as "controlled assets". The Comptroller's State Property Accounting User Manual, available on the Internet, contains the most current listing.
  - 23.1.4. Adequate maintenance procedures must be developed to keep the property in good condition.
  - 23.1.5. If the COUNTY is authorized to sell the property, proper sales procedures must be established to ensure the highest possible return.

#### SECTION 24. COPYRIGHTS

- 24.1. The SOS reserves a royalty-free, nonexclusive, and irrevocable license to reproduce, publish or otherwise use, and to authorize others to use, for federal or state government purposes:
- 24.1.1. The copyright in any work developed pursuant to this grant award; and

- 24.1.2. Any rights of copyright to which the COUNTY purchases ownership with this grant award.

**SECTION 25. PROCUREMENT**

- 25.1. The COUNTY shall use their own procurement procedures and regulations, provided that the procurement conforms to applicable laws and the standards identified in Chapter III (State Uniform Administrative Requirements for Grants and Cooperative Agreements), Subpart C, Section 36 of the Uniform Grant Management Standards.

**SECTION 26. REPORTS**

- 26.1. Grantees must submit required financial expenditure reports and performance reports.
- 26.1.1. Payment request must be based on actual expenditures (see Section 17 of this agreement); therefore, reimbursement requests will serve as financial reports.
- 26.1.2. Additional reports shall be submitted via the Texas HAVA online grant system.
- 26.1.3. Instructions and due dates will be prescribed via the website.
- 26.1.4. SOS may place a financial hold on a grantee's funds for delinquent reports.

**SECTION 27. RECORDS RETENTION**

- 27.1. The COUNTY must maintain records for at least three years following the submission of the final expenditure report.
- 27.2. If any litigation, claim, negotiation, audit or other action involving the records has been started before the expiration of the 3-year period, the records must be retained until completion of the action and resolution of all issues which arise from it, or until the end of the regular 3-year period, whichever is later.

**SECTION 28. MONITORING**

- 28.1. Monitoring reviews include programmatic monitoring, financial monitoring, and financial auditing.
- 28.2. The SOS reserves the right to conduct its own audit or contract with another entity to audit the COUNTY.
- 28.3. The SOS or its designee may conduct monitoring reviews throughout the existence of a grant or conduct an audit after the grant period has ended. The COUNTY must make all grant-related records available to the SOS or its representatives unless the information is sealed by law.
- 28.4. Monitoring reviews may be on-site or desk reviews and may include any information that the SOS deems relevant to the project.
- 28.5. The SOS, or its designee, may make unannounced visits at any time.

**SECTION 29. REMEDIES FOR NONCOMPLIANCE**

- 29.1. If a COUNTY fails to comply with any term or condition of this agreement or any applicable statutes, rules, regulations, or guidelines, SOS may take one or more of the following actions:
- 29.1.1. Require the return of funds if disbursements have already been made.
- 29.1.2. Temporarily withhold all payment to the COUNTY pending correction of the deficiency by the COUNTY.
- 29.1.3. Temporarily withhold all payments for other HAVA grant funds awarded to the COUNTY pending correction of the deficiency by the COUNTY.
- 29.1.4. Disallow all or part of the cost of the activity or action that is not in compliance.
- 29.1.5. Impose administrative sanctions, other than fines, on the COUNTY.

- 29.1.6. Withhold further HAVA grants funds from the COUNTY.
- 29.1.7. Terminate the agreement in whole or in part.
- 29.1.8. Exercise other remedies that may be legally available.

**Part D - After-the-Grant Requirements**

**SECTION 30. CLOSEOUT**

- 30.1. The SOS will close out the award when it determines that all applicable administrative actions and all required work of the grant have been completed. The SOS will provide any necessary additional information on closeouts.
- 30.2. The closeout of a grant does not affect:
  - 30.2.1. The SOS's right to disallow costs and recover funds on the basis of a later audit or other review;
  - 30.2.2. The COUNTY'S obligation to return any funds due as a result of later refunds, corrections, or other transactions;
  - 30.2.3. Records retention as required in Section 27 of this agreement;
  - 30.2.4. Property management requirements outlined in Section 23 of this agreement; and
  - 30.2.5. Audit requirements prescribed in Section 21 of this agreement.

**SECTION 31. COLLECTION OF AMOUNTS DUE**

- 31.1. Any funds paid to the COUNTY in excess of the amount to which the COUNTY is finally determined to be entitled under the terms of the award constitute a debt to the SOS. If not paid within 30 days after demand, the federal or state agency may reduce the debt by:
  - 31.1.1. Making an administrative offset against other requests for reimbursements;
  - 31.1.2. Withholding payments otherwise due to the COUNTY; or
  - 31.1.3. Other action permitted by law.
- 31.2. Except where otherwise provided by statutes or regulations, the federal government may charge interest on an overdue debt in accordance with the Federal Claims Collection Standards (4 CFR Ch. II). The date from which interest is computed is not extended by litigation or the filing of any form of appeal.

IN WITNESS WHEREOF, the SOS and the COUNTY have executed this agreement.

*G.S. Connor*

9/14/2004  
Date

*Danny P. Crooks 11-08-04*

(Authorized Signature) Date

Geoffrey S. Connor  
(Printed Name)

Office of the Secretary of State

*DANNY P. CROOKS*

(Printed Name)

Titus County Judge