



November 13, 2001
8:15A.M.

COMMISSIONERS COURT

of Polk County, Texas

County Courthouse, 3rd floor
Livingston, Texas

2001-114

Notice is hereby given that the Polk County Commissioners Court will be meet at a special session on the date stated above, at which time the following subjects will be discussed.

CALL TO ORDER

MEET WITH POLK COUNTY SOLID WASTE BID REVIEW COMMITTEE.

EXECUTIVE SESSION

AS AUTHORIZED BY GOVERNMENT CODE, SUBCHAPTER D, §§551.072
DELIBERATION ON REAL PROPERTY. (DISCUSS LEASE OF PROPERTY & FINAL
NEGOTIATION FOR CONTRACT OPERATIONS OF COUNTY SOLID WASTE SYSTEM).

AS AUTHORIZED BY GOVERNMENT CODE, SUBCHAPTER D, §§551.071
(CONSULTATION WITH LEGAL COUNSEL ON SETTLEMENT OFFER OF CLAIM
PRESENTED).

RECONVENE TO OPEN SESSION.

ADJOURN

Posted: November 7 2001

Commissioners Court of Polk County, Texas

By: *John P. Thompson*
John P. Thompson, County Clerk

FILED AND RECORDED
OFFICIAL PUBLIC RECORDS
POLK COUNTY, TEXAS
2001 NOV - 7 AM 8:20
Barbara Middleton

I, the undersigned County Clerk, do hereby certify that the above Notice of Meeting of the Polk County Commissioners Court is a true and correct copy of said Notice and that I posted a true and correct copy of said Notice in the Polk County Courthouse at a place readily accessible to the general public at all times on Wednesday, November 7, 2001 and that said Notice remained so posted continuously for at least 72 hours preceding the scheduled time of said Meeting.

BARBARA MIDDLETON, COUNTY CLERK

Barbara Middleton Deputy

**"COMMISSIONERS COURT"
POSTING #2001-114**

BE IT REMEMBERED ON THIS THE 13th DAY OF NOVEMBER, 2001
THE HONORABLE COMMISSIONERS COURT MET IN " SPECIAL "
CALLED MEETING WITH THE FOLLOWING OFFICERS AND MEMBERS
PRESENT, TO WIT:

JUDGE JOHN P. THOMPSON, PRESIDING.

BOB WILLIS - COUNTY COMMISSIONER PCT#1, BOBBY SMITH - COUNTY
COMMISSIONER PCT #2, JAMES J. "Buddy" PURVIS - COUNTY COMMISSIONER
PCT #3, R.R. " Dick " HUBERT - COUNTY COMMISSIONER PCT #4,
BARBARA MIDDLETON - COUNTY CLERK & BILL LAW - COUNTY AUDITOR,
THE FOLLOWING AGENDA ITEMS, ORDERS, AND DECREES WERE DULY
MADE, CONSIDERED & PASSED.

1. MEETING WAS CALLED TO ORDER BY JUDGE JOHN THOMPSON AT 8:15 A.M.

****EXECUTIVE SESSION AT 8:16 A.M.**

**** As authorized by Government Code, subchapter D, section 551.071**

First Issue - Consultation with legal counsel on settlement offer of claim presented.

****As authorized by Government Code, subchapter D, Section 551.072.**

Second Issue - Deliberation on real Property.(Discuss lease of property & final negotiation
for contract operations of county solid waste system)

2. MEET WITH POLK COUNTY SOLID WASTE BID REVIEW COMMITTEE.
PRESENTATION & DISCUSSION BY DAVID KLEIN OF SANTEK
ENVIROMENTAL.

EXECUTIVE SESSION ENDED AT 9:30 A.M.

RECONVENED INTO OPEN SESSION AT 9:30 A.M.

MEETING ADJOURNED AT 9:30 A.M.



JOHN P. THOMPSON, COUNTY JUDGE

ATTEST:



BARBARA MIDDLETON, COUNTY CLERK



POLK COUNTY COMMISSIONERS COURT

November 13, 2001

10:00 A.M.

Polk County Courthouse, 3rd floor

Livingston, Texas

2001-115

VOL. 47 PAGE 1563

NOTICE is hereby given that a regular meeting of the Polk County Commissioners Court will be held on the date stated above, at which time the following subjects will be discussed;

Agenda topics

1. CALL TO ORDER.
2. PUBLIC COMMENTS.
3. INFORMATIONAL REPORTS.
 - A. Nancy Smith TXDOT, to provide bridge inspection reports and update the Court on the Off-System Bridge Replacement Program.
 - B. Robert Belt, to present the GFOA Budget Award.
4. APPROVAL OF MINUTES OF THE MEETING OF October 23, 2001 (Regular) & October 26, 2001 (Special).
5. CONSIDER ANY/ALL NECESSARY ACTION REGARDING RFP #2001-16 (CONTRACT OPERATION OF THE MUNICIPAL SOLID WASTE SYSTEM).
6. CONSIDER DESIGNATION OF VOTES FOR POLK CENTRAL APPRAISAL BOARD MEMBERS.
7. CONSIDER ANY/ALL NECESSARY ACTION PERTAINING TO THE LEASE OF CONCESSION FACILITIES AT SOUTHLAND PARK.
8. CONSIDER VETERAN SERVICE OFFICER'S REQUEST TO APPOINT PENNY NELSON AS ASSISTANT VETERAN SERVICE OFFICER.
9. CONSIDER APPROVAL OF OFFERS TO PURCHASE TAX FORECLOSURE PROPERTIES: (PCT. 1) LOT 26, BLOCK C, FOREST SPRINGS #2, CAUSE #96-129; (PCT. 2) 4.85 ACRES, TRACT 92, A. VIESCA SURVEY, ABSTRACT 78, CAUSE #98-101; LOTS 1 & 2, BLOCK 20, IMPALA WOODS #2, CAUSE #98-014.
10. CONSIDER APPROVAL TO RENEW AGREEMENT FOR PROFESSIONAL SERVICES FOR DRUG/ALCOHOL TESTING ASSOCIATED WITH COUNTY HEALTH & SAFETY PROGRAM.
11. CONSIDER APPROVAL OF PCT. 1 BUILDING CONSTRUCTION & FUNDING METHOD.
12. CONSIDER APPROVAL OF UTILITY EASEMENT AT POLK COUNTY LANDFILL.
13. CONSIDER APPROVAL OF BUDGET AMENDMENTS.
14. CONSIDER APPROVAL OF SCHEDULE OF BILLS.
15. CONSIDER APPROVAL OF PERSONNEL ACTION FORMS.

RECESS

RECONVENE AT 1:30PM

16. DISCUSS STATUS AND CONSIDER APPROVAL OF RESOLUTION IN SUPPORT OF THE TEXAS HISTORIC COURTHOUSE PRESERVATION PROGRAM GRANT APPLICATION.

ADJOURN

Posted: November 7, 2001

Commissioners Court of Polk County, Texas

By: John P. Thompson, County Judge

I, the undersigned County Clerk, do hereby certify that the above Notice of Meeting of the Polk County Commissioners Court is a true and correct copy of said Notice and that I posted a true and correct copy of said Notice in the Polk County Courthouse at a place readily accessible to the general public at all times on Wednesday, November 7, 2001 and that said Notice remained so posted continuously for at least 72 hours preceding the scheduled time of said Meeting.

BARBARA MIDDLETON, COUNTY CLERK

BY: Deputy

FILED AND RECORDED
OFFICIAL PUBLIC RECORD
POLK COUNTY, TEXAS
2001 NOV -7 AM 8:30

BARBARA MIDDLETON
COUNTY CLERK TEL: 680



November 13, 2001
10:00 A.M.

COMMISSIONERS COURT

of Polk County, Texas

County Courthouse, 3rd floor
Livingston, Texas

ADDENDUM to Posting # 2001-115

The following will serve to amend the Agenda of the Commissioners Court Meeting scheduled for November 13, 2001 at 10:00 A.M.

AMEND TO ADD;

- 17. DISCUSS ROAD BONDS.
- 18. CONSIDER SHERIFF DEPARTMENT APPLICATION FOR TEXAS 1033 SURPLUS PROPERTY PROGRAM.
- 19. APPROVE POLK COUNTY INDIGENT HEALTH CARE PREVENTION & DETECTION OF FRAUD PROCEDURES.
- 20. CONSIDER APPROVAL OF ADMINISTRATION HEARING OFFICER FOR POLK COUNTY INDIGENT HEALTH CARE PROGRAM.
- 21. CONSIDER APPROVAL OF INTERLOCAL AGREEMENT BETWEEN POLK COUNTY & SCHOOL DISTRICTS.
- 22. CONSIDER APPROVAL OF RESOLUTION SUPPORTING DISTRICT ATTORNEY'S REQUEST FOR STATE GRANT FUNDING FOR ADDITIONAL PROSECUTOR POSITION.

AMEND TO READ;

- 16. DISCUSS STATUS AND CONSIDER APPROVAL OF RESOLUTION IN SUPPORT OF THE TEXAS HISTORIC COURTHOUSE PRESERVATION PROGRAM GRANT APPLICATION & ANY/ALL NECESSARY ACTION.

Dated: Friday, November 9, 2001.

Commissioners Court of Polk County, Texas

By: *John P. Thompson*

John P. Thompson, County Judge

I, the undersigned County Clerk, do hereby certify that the above Addendum to the Notice of Meeting of the Polk County Commissioners Court is a true and correct copy of said Addendum and that I posted a true and correct copy of said Addendum at the door of the Polk County Courthouse at a place readily accessible to the general public at all times on Friday, November 9, 2001 and that said Addendum remained so posted continuously for at least 72 hours preceding the scheduled time of said Meeting.

BARBARA MIDDLETON, COUNTY CLERK

BY *Barbara Middleton* Deputy

BARBARA MIDDLETON
COUNTY CLERK, POLK CO.

Barbara Middleton

NOV - 9 PM 4: 14

FILED AND RECORDED
OFFICIAL PUBLIC RECORDS
POLK COUNTY, TEXAS

STATE OF TEXAS)

DATE: NOVEMBER 13, 2001

COUNTY OF POLK)

"REGULAR" MEETING
All members - Present**** CORRECTED****
COMMISSIONERS COURT
POSTING #2001-114

BE IT REMEMBERED ON THIS THE 13th DAY OF NOVEMBER, 2001
THE HONORABLE COMMISSIONERS COURT MET IN "REGULAR"
CALLED MEETING WITH THE FOLLOWING OFFICERS AND MEMBERS
PRESENT, TO WIT:

JUDGE JOHN P. THOMPSON, PRESIDING.

BOB WILLIS - COUNTY COMMISSIONER PCT#1, BOBBY SMITH - COUNTY
COMMISSIONER PCT #2, JAMES J. "Buddy" PURVIS - COUNTY COMMISSIONER
PCT #3, R.R. "Dick" HUBERT - COUNTY COMMISSIONER PCT #4,
BARBARA MIDDLETON - COUNTY CLERK & BILL LAW - COUNTY AUDITOR,
THE FOLLOWING AGENDA ITEMS, ORDERS, AND DECREES WERE DULY
MADE, CONSIDERED & PASSED.

1. WELCOME & CALLED TO ORDER BY JUDGE JOHN P. THOMPSON AT 10:00 A.M.
REV. ERIC GARRETT FROM THE FIRST UNITED PENTECOSTAL CHURCH OF
ONALASKA DELIVERED THE OPENING PRAYER.
2. PUBLIC COMMENTS: NONE.
3. INFORMATIONAL REPORTS:
 - A. NANCY SMITH FROM THE TxDOT OFFICE IN LUFKIN CAME TO GIVE
INFORMATION TO EACH COMMISSIONER REGARDING THE OFF- SYSTEM
BRIDGES IN EACH PRECINCT.
 - B. ROBERT BELT PRESENTED THE GFOA BUDGET AWARD TO JUDGE
JOHN THOMPSON, FOR EXCELLENCE IN THE FIELD OF BUDGET
PREPARATION & REPORTING FOR STATE GOVERNMENT OFFICES.
4. MOTIONED BY BOBBY SMITH, SECONDED BY BOB WILLIS, TO APPROVE
MINUTES OF MEETINGS OF OCTOBER 23, 2001 (REGULAR) AND
OCTOBER 26, 2001 (SPECIAL).
ALL VOTING YES.
5. RFP #2001-16 "PRESENTATION BY SANTEK ENVIRONMENTAL"
MOTIONED BY BOBBY SMITH, SECONDED BY BOB WILLIS, APPROVAL
TO CONTRACT WITH SANTEK ENVIRONMENTAL FOR THE OPERATIONS
OF THE POLK COUNTY MUNICIPAL SOLID WASTE SYSTEM, AUTHORIZING
JUDGE THOMPSON TO SIGN ALL CONTRACTS ON BEHALF OF THE COUNTY,
AND MAKE ALL FINAL NEGOTIATIONS FOR THE CONTRACTS.
ALL VOTING YES. (SEE ATTACHED)

6. MOTIONED BY BOBBY SMITH, SECONDED BY BOB WILLIS, APPROVAL TO DESIGNATE VOTES FOR POLK CENTRAL APPRAISAL BOARD AS FOLLOWS:

Clarke Evans834
 Lynn Camp.....367
 Steve Willson.....207
 Joe Roth..... 18
 Polk County.....(1426) Voting Entitlements
 ALL VOTING YES.

7. MOTIONED BY JAMES J. "Buddy" PURVIS, SECONDED BY BOBBY SMITH, APPROVAL TO SUB-LEASE THE CONCESSION AT SOUTHLAND PARK MARINA (ORIGINAL LEASEE - GENE HANSON) TO MARIA CARRANZA, ALLOWING MRS. CARRANZA TO ASSUME THE LEASE FOR (3) MONTHS AT THE SAME RATE.
 ALL VOTING YES.

8. MOTIONED BY JAMES J. "Buddy" PURVIS, SECONDED BY R.R. "Dick" HUBERT, TO APPROVE THE APPOINTMENT OF PENNY NELSON AS ASSISTANT VETERAN SERVICE OFFICER WITH NO CHANGES IN RATE OF EARNINGS.
 ALL VOTING YES.

9. PRECINCT #1:

- (A) MOTIONED BY BOB WILLIS, SECONDED BY R.R. "Dick" HUBERT, TO ACCEPT THE OFFER TO PURCHASE TAX FORECLOSURE PROPERTIES; LOT 26, BLOCK C, OF FOREST SPRINGS #2, IN CAUSE #96-129.
 ALL VOTING YES.

PRECINCT #2:

- (B) MOTIONED BY BOBBY SMITH, SECONDED BY JAMES J. "Buddy" PURVIS, TO "REJECT" OFFER TO PURCHASE TAX FORECLOSURE PROPERTY CONSISTING OF 4.85 ACRES, TRACT 92, A.VIESCA SURVEY A-78, CAUSE #98-101.
 ALL VOTING YES.

- (C) MOTIONED BY BOBBY SMITH, SECONDED BY JAMES J. "Buddy" PURVIS, TO ACCEPT OFFER TO PURCHASE TAX FORECLOSURE PROPERTIES; LOTS 1 & 2, BLOCK 20, IMPALA WOODS #2, IN CAUSE #98-014.
 ALL VOTING YES.

10. MOTIONED BY BOBBY SMITH, SECONDED BY JAMES J. "Buddy" PURVIS, TO APPROVE TO RENEW AGREEMENT FOR PROFESSIONAL SERVICES FOR DRUG / ALCOHOL TESTING, ASSOCIATED WITH COUNTY HEALTH & SAFETY PROGRAM.
 ALL VOTING YES. (SEE ATTACHED)

11. MOTIONED BY BOBBY SMITH, SECONDED BY BOB WILLIS, TO APPROVE PRECINCT #1 - ROAD & BRIDGE - OFFICE BUILDING CONSTRUCTION BASED UPON THE RECOMMENDATION OF DON MAXWELL (MAINTENANCE ENGINEER) TO APPOINT AN AGENT & SUB-LEASE THE WORK ACCORDING TO SPECIFICATIONS AND SECURE "TIME WARRANTS" FOR THE FUNDING UPON COMPLETION OF SAME.
 ALL VOTING YES.

12. MOTIONED BY JAMES J. "Buddy" PURVIS, SECONDED BY R.R. "Dick" HUBERT, APPROVAL OF UTILITY EASEMENT AT POLK COUNTY LANDFILL FOR SAM HOUSTON ELECTRIC COOPERATIVE, IN ORDER TO RUN THE FLARE STACK PUMP AT THE NORTH SIDE OF THE LANDFILL.
ALL VOTING YES. (SEE ATTACHED)
13. MOTIONED BY BOBBY SMITH, SECONDED BY BOB WILLIS, TO APPROVE BUDGET AMENDMENTS #2001-28, #2001-28(A), & #2002-03.
ALL VOTING YES. (SEE ATTACHED)
14. MOTIONED BY BOB WILLIS, SECONDED BY R.R."Dick" HUBERT, APPROVAL & PAYMENT OF BILLS BY SCHEDULE, PLUS ADDENDUMS.
ALL VOTING YES. (SEE ATTACHED)

DATE	AMOUNT	CHECK NUMBERS
10-16-2001	\$ 8,074.62	209 - 210
10-17-2001	\$ 689.21	474 - 476
10-23-2001	(- 6,511.61)	Void Ck#000201 (FY2001)
10-23-2001	\$ 5,134.00	360
10-23-2001	\$ 161.00	477
10-23-2001	(- 50.00)	Void Ck #161606 (FY2001)
10-23-2001	(- 50.00)	Void Ck #163261 (FY2001)
10-23-2001	(- 50.00)	Void Ck #163555 (FY2001)
10-23-2001	(- 75.00)	Void Ck #163744 (FY2001)
10-24-2001	\$ 5,408.34	164204 - 164219
10-24-2001	\$ 15,814.71	164220 - 164224
10-24-2001	\$ 263,493.70	Electronic Transfer-Salaries
10-25-2001	\$ 18,434.36	164225 - 164231
10-25-2001	\$ 10,245.83	164232 - 164251
10-26-2001	\$ 42,521.61	Electronic Transfer - State Fees
10-26-2001	\$ 94,681.89	164252 - 164299
10-27-2001	\$ 4,654.75	361
10-29-2001	(- 500.75)	Void Ck #164130 (FY2001)
10-29-2001	(- 306.63)	Void Ck #164170 (FY2001)
10-29-2001	\$ 3,659.85	164300 - 164303
10-30-2001	\$ 23,705.42	164304 - 164343
10-30-2001	\$ 48,923.78	164344 - 164425
10-30-2001	(- 4.97)	Void Ck #163415 (FY2001)

DATE	AMOUNT	CHECK NUMBERS
10-31-2001	\$ 273.75	478
10-31-2001	\$ 39.75	676 - 677
10-31-2001	\$ 22,873.36	164426 - 164468
11-02-2001	\$ 71,277.63	164469 - 164470
11-02-2001	\$ 110,947.16	164471 - 164473
11-05-2001	\$ 3,499.00	362
11-05-2001	\$ 73.35	479
11-05-2001	\$ 660.65	578 - 681
11-05-2001	\$ 107,869.34	163729 - 163750
11-06-2001	\$ 58,192.99	164623 - 164636
11-07-2001	\$ 4,032.00	1017
11-07-2001	\$ 7,573.26	164474 - 164622
11-09-2001	\$ 253,624.77	Electronic Transfer
11-09-2001	\$ 8,314.17	164743 - 164762
11-09-2001	\$ 90,224.38	164637 - 164742
11-13-2001	\$ 65,849.68	Addendum (FY2001)
11-13-2001	\$ 18,252.96	Addendum (FY2002)

15. MOTIONED BY BOBBY SMITH, SECONDED BY R.R. "Dick" HUBERT, TO APPROVE PERSONNEL ACTION FORMS (REVISED LIST). ALL VOTING YES. (SEE ATTACHED)
16. (SEE END OF MINUTES)
17. DISCUSSION OF ROAD BONDS - COMMISSIONER WILLIS ASKED THE COURT TO RESEARCH THE POSSIBILITY OF HAVING A BOND ELECTION TO BORROW MONEY TO BUILD PERMANENT ROADS WITHING THE COUNTY. NO ACTION WAS TAKEN ON THIS ITEM.
18. MOTIONED BY BOBBY SMITH, SECONDED BY JAMES J. "Buddy" PURVIS, TO APPROVE THE SHERIFF'S DEPARTMENT REQUEST FOR APPLICATION TO PARTICIPATE IN THE TEXAS -1033 SURPLUS PROPERTY PROGRAM. ALL VOTING YES. (SEE ATTACHED)
19. MOTIONED BY BOBBY SMITH, SECONDED BY R.R. "Dick" HUBERT, TO APPROVE INDIGENT HEALTHCARE PROGRAM "PREVENTION & DETECTION OF FRAUD" PROCEDURES, AS REQUESTED BY BARBARA HAYES. ALL VOTING YES. (SEE ATTACHED)

20. MOTIONED BY JAMES J. "Buddy" PURVIS, SECONDED BY BOBBY SMITH, APPROVE THE APPOINTMENT OF DONNA BURT, LIBERTY COUNTY INDIGENT HEALTHCARE DIRECTOR, AS ADMINISTRATIVE HEARING OFFICER FOR POLK COUNTY INDIGENT HEALTHCARE PROGRAM AND REPEAL ALL PREVIOUS APPOINTMENTS OF IHC APPEALS BOARD. ALL VOTING YES.
21. MOTIONED BY BOBBY SMITH, SECONDED BY BOB WILLIS, TO APPROVE INTERLOCAL AGREEMENTS BETWEEN POLK COUNTY AND ALL THE SCHOOL DISTRICTS WITHIN THE COUNTY, AND AUTHORIZING JUDGE THOMPSON TO NEGOTIATE AND SIGN ALL CONTRACTS ON BEHALF OF THE COUNTY. ALL VOTING YES.
22. MOTIONED BY BOBBY SMITH, SECONDED BY R.R. "Dick" HUBERT, TO APPROVE OF "RESOLUTION" SUPPORTING DISTRICT ATTORNEY'S REQUEST FOR STATE GRANT FUNDING FOR ADDITIONAL PROSECUTOR POSITION. ALL VOTING YES. (SEE ATTACHED)

RECESS - REGULAR SESSION - AT 11:12 A.M.

RECONVENED AT 1:30 P.M.

16. ROBERT A. BROOKS OF BROOKS-CORONADO ASSOCIATES - ARCHITECT GAVE A PRESENTATION TO THE COURT OUTLINING THE CRITERIA AND SCORING VALUES FOR THE TEXAS HISTORIC COURTHOUSE PRESERVATION PROGRAM.
- (A) MOTIONED BY BOBBY SMITH, SECONDED BY BOB WILLIS, TO APPROVE THE "RESOLUTION" IN SUPPORT OF THE TEXAS HISTORIC COURTHOUSE PRESERVATION PROGRAM GRANT APPLICATION. ALL VOTING YES. (SEE ATTACHED)
- (B) MOTIONED BY BOBBY SMITH, SECONDED BY R.R. "Dick" HUBERT, APPROVAL TO GRANT THE TEXAS STATE HISTORICAL COMMISSION A "PERPETUITY" EASEMENT IN CONSIDERATION OF THE POSSIBLE FUNDING TO ASSIST POLK COUNTY WITH COMPLETE RESTORATION OF THE COURTHOUSE. ALL VOTING YES.
23. MOTIONED BY R.R. "Dick" HUBERT, SECONDED BY BOBBY SMITH, TO ADJOURN COURT THIS 13th DAY OF NOVEMBER 2001 AT 2:13 P.M. ALL VOTING YES.



JOHN P. THOMPSON, COUNTY JUDGE

ATTEST:



BARBARA MIDDLETON, COUNTY CLERK
C:\COMM. COURT\COMMCRT.2001\NOV13.WPD

Item # 5

County Judge No
COPY

**LANDFILL AND MUNICIPAL SOLID WASTE SYSTEM
OPERATING AGREEMENT**

BETWEEN

POLK COUNTY, TEXAS

AND

SANTEK ENVIRONMENTAL OF TEXAS, LLC

DECEMBER 1, 2001

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**LANDFILL AND MUNICIPAL SOLID WASTE
SYSTEM OPERATING AGREEMENT**

THIS LANDFILL AND MUNICIPAL SOLID WASTE SYSTEM OPERATING AGREEMENT (this "Agreement") is entered as of the 1st day of December 2001 by and between POLK COUNTY, Texas, (the "County"), an entity created under the laws of the State of Texas and the entity having legal jurisdiction over the ownership and management of the Polk County Municipal Solid Waste System, and SANTEK ENVIRONMENTAL OF TEXAS, LLC, a corporation organized under the laws of the State of Texas ("Contractor"), and authorized and licensed to do business in the State of Texas.

RECITALS:

WHEREAS, the County owns and operates a sanitary landfill known as the Polk County Landfill, and more specifically defined hereinafter;

WHEREAS, the County owns and operates several Citizen Collection Stations, which collects household municipal solid waste from residents of the County;

WHEREAS, the County owns and operates a commercial fleet, which facilitates the transportation of waste from the Citizen Collection Stations to the Landfill (collectively the Landfill, Citizen Collection Stations and the commercial container fleet are known as the "Municipal Solid Waste System");

WHEREAS, the County is empowered to perform solid waste management tasks in Polk County, and in connection therewith;

WHEREAS, the Contractor desires to manage the Municipal Solid Waste System, as hereinafter defined, for the County pursuant to the terms and conditions of the Agreement, as amended by this Amendment.

NOW, THEREFORE, FOR AND IN CONSIDERATION of the foregoing premises and other valuable considerations the receipt and sufficiency of which are hereby acknowledged by both parties, the parties hereto agree as follows:

I. DEFINITIONS

- 1.1 **Definitions.** The following terms shall be defined in the following manner throughout this Agreement.

Administrative Height Extension. An extension of the Existing Landfill area pursuant to an amendment to and/or other binding modification or clarification of the Existing Permit pursued with the TNRCC by the County prior to the Commencement Date, which will provide additional airspace capacity in the Existing Landfill and extend its life pending the permitting and construction of the Landfill Expansion.



Agreement Year. A successive twelve-month period commencing for the first year on the first day of the month of the Commencement Date and thereafter annually on the anniversary of the Commencement Date.

Citizen Collection Stations. County-owned collection centers that are for the exclusive use of household solid waste collection, which is then transported to the Landfill for disposal. Citizen Collection Stations may not collect business or commercial waste, which must be taken directly to the Landfill. The five (5) Citizen Collection Stations currently owned by the County are identified as follows: Highway 91 West (approximately 5 miles west of Livingston on the north side of the highway), Onalaska Alaska (approximately 4 miles north off Highway 190 West, on FM3459), Highway 146& FM2665 (approximately 8 miles south of Livingston, at the intersection of Highway 146 & FM2665), Richardson Road (approximately 11 miles east of Livingston on Richardson Road), and Union Springs (located northwest of Corrigan turn west off Highway 59 onto Ben Franklin Street, cross railroad tracks, then turn right onto Union Springs Road. The station is located approximately 2 miles from town, on the left side of Union Springs Road).

Closure. All actions required to finally close a municipal solid waste landfill pursuant to the Solid Waste Laws.

Commencement Date. December 1, 2001, or such other date as may be agreed upon in writing between the parties hereto.

Commercial Container Fleet. The Container Fleet owned by the County to primarily facilitate transportation of waste collected at Citizen Collection Stations to the Landfill. The Commercial Container Fleet consists of two (2) hauling trucks and a variety of twenty (20), thirty (30), and forty (40) cubic yard roll-off containers, as more particularly described on Exhibit B hereto.

County. The entity created under the laws of the State of Texas, having legal jurisdiction of management over and ownership of the Landfill.

Demolition Waste. Waste meeting the definition of construction-demolition waste as set forth in Texas regulations, Section 330.2.

Disposal Plans. The official plans, profiles, typical cross sections, general cross sections, working drawings and supplemental materials which show the location, character, dimensions and detail of the work to be done, and which are to be considered as a part of this Agreement presently in effect or which may be prepared in the future, which plans are to be kept on file in the office of the Contractor in Polk County, Texas. Contractor shall provide a copy of the Disposal Plans to the County.

EPA. The United States Environmental Protection Agency which is the administrative agency for the United States of America which issues various

environmental permits, including solid waste permits, and oversees the enforcement of the environmental laws of the United States.

Equipment. The equipment and other personal property of the County's Solid Waste Management Department listed in Exhibit C attached hereto.

Existing Landfill. The existing solid waste landfill known as the Polk County Type I Solid Waste Center Landfill, which is operating under the Existing Permit and is located at approximately 3.5 miles west of the City of Leggett, Texas in Polk County, Texas on approximately 71 acres of real property, as more particularly described in Exhibit G attached hereto.

Existing Permit. The County's Texas Natural Resources Conservation Commission Permit No. MSW1384, a copy of which is attached hereto as Exhibit D, as such permit has been renewed, amended and/or modified from time to time prior to the Commencement Date

Expansion Permit. The Existing Permit, as it shall be renewed, amended, modified after the Commencement Date in order to provide for expansions and/or modifications of the Existing Landfill and for the design, construction and operation of the Landfill Expansion.

Facilities. Facilities Means the Landfill and the Citizen Collection Stations.

Garbage. Solid Waste that includes animal and vegetable matter from handling, preparation, cooking and serving foods; but does not include industrial waste from food-processing operations.

Gas Remediation Plan. The methane gas remediation plan required by the Existing Permit, as more specifically identified in Exhibit E attached hereto.

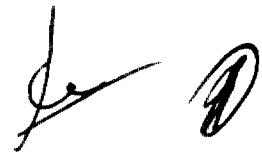
Gross Collections. See Section 10.6.

Hauler. Any individual, firm, entity or other person who transports or otherwise performs hauling services of Solid Waste to the Landfill.

Hazardous Waste. Any waste meeting the classification "Hazardous Waste" as defined in the Texas Regulations, Section 330.2(56) or other subsequent regulation(s) that replaces or supersedes such rule.

Landfill. Collectively, the Existing Landfill and the Landfill Expansion.

Landfill Expansion. A new Subtitle D landfill expansion of the Existing Landfill, to be located on approximately 60 acres of real property immediately adjacent to (and to some extent extending vertically over) the Existing Landfill, as more particularly described in Exhibit F attached hereto.



Landfill Permit. Collectively, the Existing Permit, the Landfill Expansion Permit, and any modifications, renewals or amendments of any of the foregoing.

Landfill Site Plan. The printed plans and drawings showing the location, topography and engineered staged development of Landfill areas for the Landfill, which plans are on file with the County.

Leachate. A liquid that has passed through or emerged from Solid Waste and contains soluble, suspended, or miscible materials removed from such waste.

Medical Waste. Those wastes which may cause disease or reasonably be suspected of harboring pathogenic organisms; included are wastes resulting from the operation of medical clinics, hospitals, and other facilities producing wastes which may consist of, but are not limited to, diseased human and animal parts, contaminated bandages, pathological specimens, hypodermic needles, contaminated clothing, and surgical gloves.

Performance Security. Security for performance of all or a portion of the obligations of this Agreement, as the case may be. This security must be provided by surety bond from a corporate surety duly authorized to do business in the State of Texas, in the amount of one million dollars (\$1,000,000) conditioned upon the faithful performance of the Contractor in performing its obligations under this Agreement. Surety companies issuing bonds must be duly authorized to do business in the State of Texas, and must be listed in the then-current edition of the U.S. Treasury Department's Circular 570. The County may allow an irrevocable letter of credit in lieu of the performance bond with a banking institution and on terms and conditions acceptable to the County. Such security instruments shall cover claims during the entire term of the Agreement. If the party providing the security gives a surety bond, the providing party shall be responsible for giving the party receiving the security satisfactory evidence that all such security is in full effect throughout the term of the obligations for which the security is being provided. Attorneys-in-fact who sign a surety bond must file with the bond a certified and dated copy of their powers of attorney. A security bond may be in full force and effective initially for a one (1) year period, but it must be renewed annually thereafter upon written consent of the surety by issuance of a continuation certificate no later than thirty (30) days prior to the renewal date. The surety shall give the obligee at least thirty (30) days prior notice of the cancellation or non-renewal of this security. No claim against performance security shall be initiated over two years after the term of this Agreement, and no suit, action or proceeding with respect to such a claim shall be brought on a surety bond after the surety bond expires or is terminated. Failure to renew a surety bond shall be an event of default under this Agreement. For the purposes of this Agreement, the Contractor has agreed in paragraph 12.6 hereof to provide Performance Security during the term of this Agreement and for a period of one year after the termination of this Agreement.



Permit Work Product. Hard copy and, when reasonably available, in digital format, of any and all documentation on all permits related to the Landfill (including without limitation the Administrative Height Extension and the permit application with respect thereto, and the Expansion Permit), including without limitation all applications, reports, memoranda, documents, materials, instruments, plans, drawings, sketches, notes, data, design information, correspondence, and all and all other documented data, and other materials, and drafts of any of the foregoing.

Polk County Generated Solid Waste. Solid Waste that includes: (1) municipal Solid Waste generated by the County in connection with its own governmental operations and delivered by the County; (2) household Solid Waste collected at the Citizen Collection Stations; and (3) household Solid Waste generated and delivered by residents of the County directly to the Landfill; provided, however, that all Special Waste and Process Waste are not included within the term Polk County Generated Solid Waste.

Post-Closure Care. The taking of those actions after closure of a landfill or a landfill property that are necessary to meet the post-closure care requirements of Texas Regulations, Chapter 330, or such subsequent regulation(s) that replace or supersede such rules.

Post-Closure Costs. All costs incurred by or on behalf of the County in conducting Post-Closure Care for the Landfill; provided, that such costs shall be determined solely by the estimated costs of Post-Closure Care set forth in the Expansion Permit, as approved by the TNRCC.

Process Waste. Solid Waste or other waste which is generated by or produced by or results from an industrial or commercial operation or activity.

Recycling. Any process of which Solid Waste or material that would become Solid Waste are collected, separated or processed and reused or returned to use in the form of raw materials or products.

Refuse. Means the waste defined as refuse pursuant to Texas Regulations, Section 330.2. The term "Refuse" as used herein does not include Hazardous Waste or Infectious Waste that might be injurious to personnel engaged in Solid Waste handling, including, but not limited to acids, explosives, radioactive materials, toxic industrial wastes: nor shall it include any materials that are, or in the future may be, prohibited from dumping by the regulations of TNRCC or the State of Texas, or by any other public agency, or by operation of law.

Roads.

Access Road - A paved all-weather road located outside the Landfill property, which terminates at the gate to the Landfill.



Haul Road - A paved or unpaved road in the Landfill which is provided to allow users of the Landfill to operate vehicles from the gate of the landfill to the tipping area at the active fact of the Landfill.

Service Road - All roads in the Landfill other than Haul Roads.

Soil Borrow Area. That certain land comprised of approximately 220 acres located immediately adjacent to the Existing Landfill across Farm Market Road (FM) 942, as more particularly described on Exhibit A hereto, which is land owned by the County.

Solid Waste. Any Garbage, Refuse, including without limitation recyclable materials when they become discarded, sludge from a waste treatment plant, water supply treatment plant, or air pollution control facility, and other discarded material, including solid, liquid, semi-solid, or contained gaseous material resulting from industrial, commercial, and agricultural operations, and from community activities, but does not include solid or dissolved materials in domestic sewage, or solid or dissolved materials in irrigation return flows or industrial discharges that are point sources subject to permits under Section 402 of the Federal Water Pollution Control Act (33 U.S.C. 1342) as amended, or source, special nuclear, or by-product material as defined by the Atomic Energy Act of 1954, as amended (42 U.S.C. 2011). This term includes Special Waste and other materials approved by TNRCC for disposal at the Landfill, but this term expressly excludes Hazardous Waste and Infectious Waste.

Solid Waste Laws. The Texas Solid Waste Disposal Act, 5B Texas Nat. Res. Code Ann. 361, and the rules promulgated thereunder, both as may be amended from time to time.

Special Waste. Those wastes that include are considered "special waste" pursuant to Texas Regulations, Section 300.2.

State Regulatory Agencies. The State of Texas agencies that have the responsibility of regulating the operation and maintenance of a sanitary landfill, including without limitation, TNRCC.

TNRCC. The Texas Natural Resources Conservation Commission, an agency of the State of Texas, designated to oversee the environmental activities of Texas, which, among other duties, regulates the disposal of Solid Waste.

Unacceptable Waste. All Solid Waste which is Hazardous, Infectious or otherwise not included in Garbage, Refuse, and Demolition Waste or any waste excluded by the Landfill Permit.

White-Goods. Discarded refrigerators, ranges, washers, water heaters, and other similar domestic and commercial appliances.

Work. Contractor's work obligations, in conformance with the terms of Sections 3.1 and 3.2 hereof, during the term of this Agreement, which consist of the following:

- a. Manage, operate and maintain the Landfill during active operations;
- b. Design, construct and finance the Landfill Expansion;
- c. Manage and operate the Citizen Collection Stations as set forth in Exhibit H and as otherwise set forth in this Agreement, and the Commercial Container Fleet in any lawful manner to develop markets and generate waste streams;
- d. Manage, construct and finance Closure of the closed portions of the Landfill Expansion during the term of this Agreement;
- e. Provide, operate and maintain equipment as necessary to perform the Work;
- f. Provide and train personnel as necessary to perform the Work;
- g. Furnish all supplies, materials, and equipment necessary to perform the Work;
- h. Pay the expenses of all utilities needed to perform the Work;
- i. Undertake good faith efforts to develop markets for Solid Waste for disposal at the Landfill;
- j. Perform the activities set forth in the Operating Plan attached to the Expansion Permit; and
- k. Pay all state and other governmental fees required in connection with ownership, permitting or operation of the Landfill and the other Facilities.

II. WARRANTIES AND REPRESENTATIONS

2.1 Warranties and Representations of the County. County hereby warrants, represents and covenants that, as of the date of the execution of this Agreement:

- a. County is duly authorized and empowered to enter into and fully perform this Agreement according to its terms; and
- b. There is no known decree, judgment, or administrative order of any kind threatened or in existence enjoining or restraining the County from taking any action required under this Agreement; and
- c. The County has obtained and maintains all necessary land use approvals for the operation of the Existing Landfill and shall continue to cooperate



with the Contractor in its efforts to pursue acquisition and approval of any and all permits (and future renewals, amendments and/or modifications thereto), access rights, approvals, consents, and rights-of-way from the State of Texas and other relevant federal, state and local authorities, to enable the Contractor, on behalf of the County, to perform Work under the Existing Permit, pursuant to applicable law, regulation and the terms of this Agreement;

- d. The County has produced to the Contractor all of the Permit Work Product as of the Commencement Date, and shall from time to time during the term of this Agreement immediately produce any and all additional Permit Work Product to the Contractor as soon as any such work product comes into the County's possession and/or control.
- e. The County owns the Equipment and has the right power and authority to lease the Equipment to the Contractor pursuant to the terms of this Agreement; and
- f. The County has disclosed to Contractor, to the best of its knowledge after reasonable inquiry, its knowledge of all material facts, information and data relating to the Facilities; and
- g. All of the representations and warranties contained in this Agreement and any written statements and exhibits prepared in connection with this Agreement, are true and correct as of the date of the execution hereof, to the best of this County's knowledge.

2.2 Warranties and Representations of Contractor. Contractor hereby warrants, represents, and covenants that, as of the date of the execution of this Agreement:

- a. All of the Contractor's representations and warranties contained in this Agreement and any written statements and exhibits prepared in connection with this Agreement, are true and correct as of the date of execution hereof, and
- b. The Contractor is a duly authorized corporation organized under the laws of the State of Texas and authorized to do business in the State of Texas; and
- c. Contractor has the requisite expertise and financial ability to fully, completely, and satisfactorily perform its obligations hereunder in full compliance with applicable law;
- d. The Contractor acknowledges that it (i) notwithstanding the disclosure by the County of facts, information and data relating to the Facilities, including without limitation, information concerning the past financial performance of the Facilities, the County is not making any affirmative representations and warranties as to the future financial performance of

any of the Facilities or the ability of the Contractor to operate the Facilities for a profit, and (ii) has made its own examination, investigation and research regarding the proper method of doing the Work hereunder, and the labor, equipment and materials needed thereon, and the quantity of Work to be performed hereunder, and

- e. Subject to Section 5.3 of this Agreement with respect to hiring current County employees, the Contractor has not and will not offer any officer, employee or agent of the County a financial interest, direct or indirect, in this Agreement.
- f. To the best of its knowledge after reasonable inquiry, the Contractor has disclosed to County its knowledge of all material facts, information and data relating to its capacity to perform its duty and obligations under this Agreement.

III. SCOPE OF WORK

3.1 **Intent.** The County has pursued written confirmation from TNRCC of the Administrative Height Extension prior to the Commencement Date and, acting through the Contractor, intends to pursue written confirmation from TNRCC of the Administrative Height Extension after the commencement Date. In order to assure further viability for the Landfill Expansion, the parties hereto intend to continue to pursue permitting of the Landfill Expansion and to develop markets for Solid Waste to increase the anticipated volume to be received at the Landfill Expansion. Subject to receipt of the Permit Work Product, the Contractor shall assume financial responsibility to complete the effort initiated by the County to obtain the modification for the Administrative Height Extension and the Expansion Permit. The Contractor shall perform all Work hereunder in compliance with all applicable federal, state, county, and municipal laws, ordinances and regulations. It shall be the financial responsibility of the Contractor to maintain any and all existing permits and/or licenses, and timely pay any and all fees required by said permits and/or licenses, and, utilize its commercially reasonable efforts to obtain in the County's name any and all new permits and/or licenses and/or renewals or modifications of any existing permits and/or licenses as may be required in order to operate said Landfill as anticipated by this Agreement; provided, however, that the Contractor shall notify the County of any application for a major modification of the Landfill Permit. It is further intended that the Contractor shall have maximum flexibility within the terms of this Agreement in performing the landfill operations and other solid waste management operations contemplated by this Agreement, which includes, without limitation, performance of the Work, the discretion to make future expansions of air space after initial development of the Landfill Expansion and the ability to accept Solid Waste and other wastes allowed by TNRCC and/or EPA, for disposal at the Landfill Expansion.

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- 3.2 Contractor's Responsibilities.** As more specifically set forth in this Agreement, Contractor agrees to conduct the Work in accordance with the Solid Waste Laws, and in accordance with applicable standards of care, and to receive, process, dispose of and otherwise handle Solid Waste, and to receive other wastes allowed by TNRCC and/or EPA. The Contractor acknowledges and understands, that nothing in this Agreement shall be construed to provide for reimbursement to the Contractor for any sums expended in the event the necessary permits and licenses cannot be obtained by the best efforts of the County.
- a. The Contractor will diligently pursue, and will take all steps and expend all funds reasonably necessary to obtain and maintain, the permit for the Administrative Height Extension and the Expansion Permit; provided, that the County has provided to the Contractor the Permit Work Product.
 - b. The Contractor shall negotiate in good faith with the County to manage and operate additional Citizen Collection Stations proposed by the County; provided, that (i) it shall be the responsibility of the County to construct and equip such additional stations, at the County's expense and (ii) it should be the responsibility of the Contractor to operate such additional stations, if any.
 - c. Upon receipt of the Expansion Permit, Contractor agrees to pay the County an amount equal to One Million and No/100 Dollars (\$1,000,000) to reimburse the County for monies it expended in payment of that certain Certificate of Obligation dated June 1996, in connection with solid waste activities; provided, that payment of such amount shall be made by Contractor on the date that is forty-eight (48) months after the Commencement Date.
 - d. The Contractor will make available to officials of the County, roll-off container disposal services for special community events, designated by the County at no cost to the County, up to a maximum of 2000 cubic yards per year or 40 container pulls per year, whichever occurs first.
 - e. The Contractor will re-label the Equipment and the Commercial Container Fleet to remove any display of the word "Polk County" prior to the Commencement Date.
 - f. The Contractor agrees to operate the Landfill in a manner that will ensure sufficient airspace in the Landfill to dispose of Polk County Generated Solid Waste for a period of twenty (20) years after the Commencement Date; provided, that (1) the Contractor obtains the Expansion Permit, (2) such airspace is calculated on the current volume of Polk County Generated Solid Waste with an assumed growth factor of two percent (2%) per year; and (3) the twenty (20) years of airspace assurance is based on the Expansion Permit containing at least nine (9) million cubic yards of in-place airspace, and in the event that the Expansion Permit provides for



less than such amount of in-place airspace, the number of years of in-place airspace assurance hereunder shall be pro rated by multiplying the percentage of the targeted 9 million cubic yards actually permitted by the Expansion Permit by twenty (20).

3.3 County's Responsibilities.

- a. As more specifically set forth in this Agreement, the County shall work in good faith with Contractor to facilitate Contractor's performance of its obligations hereunder, including without limitation the efforts to expand, from time to time, the Landfill. The County agrees that Contractor shall be entitled to use any and all facilities and resources on the Landfill and on any other properties and interests acquired to support the Landfill, in order for Contractor to perform its obligation hereunder. To fulfill such responsibilities, the County agrees to exercise any and all lawful means available to it, including without limitation, the obtaining of all necessary permits, licenses and approvals, or any amendments, modifications or supplements to existing permits, licenses and approvals, the causing of any and all needed utilities to be available for the operation and/or construction of the Landfill. To fulfill such responsibilities, the County agrees to exercise any and all lawful means available to it, including without limitation, its powers of eminent domain, for the acquisition, at Contractor's reasonable expense, of additional real estate or interests in real estate such as rights of ingress or egress, rights of way, easements, access to utilities, and soil for cover material. All property purchased by the County pursuant to this section must be titled to the County.

- b. The County hereby leases to the Contractor all the Equipment and other personal property of the County located at the Landfill on the Commencement Date, except those items and materials as listed in Exhibit I attached hereto, for a period of five (5) years for rent in an amount equal to \$100,000.00 per Agreement Year, each annual payment payable sixty (60) days following the start of each Agreement Year. The transfer may be further evidenced by written lease consistent with this Agreement, at the request of either party hereto. The County and the Contractor may agree to extend such lease beyond the original 5-year period. Contractor shall allow the County sixty (60) days after the date of this Agreement to retrieve the non-transferred items and materials from the Landfill listed on Exhibit I. The Contractor shall provide all other operating equipment as necessary to perform the tasks specified in this Contract. Except as set forth above, the County shall not be responsible for providing any equipment (by sale, lease, rent or otherwise) to Contractor, and all equipment used in connection with the performance of Contractor's obligations under this Contract shall be owned or leased by Contractor. Contractor shall carry out a reasonable equipment maintenance program to keep the Equipment in as good an operating condition as is practicable,

ordinary wear and tear excepted. At the end of the term of the lease, the Contractor shall return the Equipment in as good an operational condition as such Equipment was on the Commencement Date; provided, that in the event that any of the Equipment cannot be practicably repaired to operational condition, the Contractor may return the piece of Equipment to the County and replace it, at Contractor's cost, with other equipment owned or leased by the Contractor; provided, that such replacement equipment shall be and remain the property of the Contractor.

CONTRACTOR ACKNOWLEDGES THAT THE COUNTY HAS NOT MADE, AND THE COUNTY HEREBY EXPRESSLY DISCLAIMS AND NEGATES, ANY REPRESENTATION OR WARRANTY, EXPRESS OR IMPLIED, RELATING TO THE CONDITION OF THE EQUIPMENT AND PERSONAL PROPERTY LEASED TO OR OTHERWISE USED BY THE CONTRACTOR IN CONNECTION WITH THIS AGREEMENT, INCLUDING, WITHOUT LIMITATION, (A) ANY IMPLIED OR EXPRESS WARRANTY OF MERCHANTABILITY, (B) ANY IMPLIED OR EXPRESS WARRANTY OF FITNESS FOR A PARTICULAR PURPOSE, (C) ANY IMPLIED OR EXPRESS WARRANTY OF CONFORMITY TO MODELS OR SAMPLES OF MATERIALS, (D) ANY RIGHTS OF BUYER UNDER APPROPRIATE STATUTES TO CLAIM DIMINUTION OF CONSIDERATION OR RETURN OF THE PURCHASE PRICE, (E) ANY IMPLIED OR EXPRESS WARRANTY OF FREEDOM FROM PATENT OR TRADEMARK INFRINGEMENT, (F) ANY AND ALL IMPLIED WARRANTIES EXISTING UNDER APPLICABLE LAW NOW OR HEREAFTER IN EFFECT. ANY EQUIPMENT AND PERSONAL PROPERTY CONSTITUTING PART OF SUCH ASSETS SHALL BE LEASED OR OTHERWISE USED BY CONTRACTOR "AS IS" "WHERE IS" AND IN THEIR PRESENT CONDITION AND STATE OF REPAIR AND CONTRACTOR REPRESENTS TO THE COUNTY THAT CONTRACTOR HAS MADE OR CAUSED TO BE MADE SUCH INSPECTIONS WITH RESPECT TO THE EQUIPMENT, AND PERSONAL PROPERTY CONSTITUTING PART OF SUCH ASSETS AS CONTRACTOR DEEMS APPROPRIATE AND CONTRACTOR WILL ACCEPT THE EQUIPMENT AND PERSONAL PROPERTY CONSTITUTING PART OF SUCH ASSETS "AS IS" "WHERE IS," IN THEIR PRESENT CONDITION AND STATE OF REPAIR. THE PARTIES AGREE THAT THIS PARAGRAPH CONSTITUTES A CONSPICUOUS LEGEND.

- c The County shall pay any and all taxes, fees and assessments incurred, arising or related to revenue received prior to the Commencement Date, including without limitation all taxes due for revenue received at the Citizen Collection Stations.

- d. The County hereby assigns to the Contractor all its rights and interests in and to the contracts described on Exhibit J, which relate to the Commercial Container Fleet.
- e. The County reserves the right to collect and market methane gas generated by the Landfill; provided that County shall not unreasonably interfere with Contractor's performance of its obligations hereunder. Any and all costs of such collection and marketing shall be borne by the County, including without limitation any and all increased costs incurred by the Contractor in the performance of the Work as a result of the County's activities.

- 3.4 Designated Representatives.** The County designates the County Judge as the initial Contract Administrator, who shall serve as the County's primary liaison with the Contractor. The Contract Administrator may be replaced from time to time without cause by designation of the Commissioner's Court, which replacement shall be effective upon receipt of written notice by the Contractor. The Contract Administrator shall be required to devote only the time and effort to the administration of this Agreement that the County shall require. Contractor also shall designate in writing an individual (the "Liaison Representative") to serve as its primary liaison with the Contract Administrator. The Liaison Representative shall administer this Agreement on behalf of Contractor. Instructions and/or representations from the Contract Administrator and the Liaison Representative shall be deemed to be instructions and/or representations from the County and the Contractor, respectively.
- 3.5 Agreement Period.** This Agreement shall be effective upon execution by the parties hereto and the Contractor shall commence the Work on or before the Commencement Date, and the term of this Contract shall continue until the completion of the operational life and the Closure of the Landfill, as expanded from time to time; provided that the Landfill Permit, and any other permit required by TNRCC, EPA or other federal or state agency, enabling disposal of waste at the Landfill remains current and in effect throughout such term and that the Landfill remains economically capable of accepting waste for disposal, in Contractor's discretion. In the event that the term of this Agreement ends because the Landfill is not economically capable of accepting waste for disposal, the Contractor must close any portion(s) of the Landfill Expansion that have accepted waste, unless the County provides written notice to Contractor to keep the Landfill open for the County or its designee. Contractor shall provide twenty four (24) months prior written notice to the County of the date when the operational life of the Landfill will be completed (the "End of Term Notice").
- 3.6 Non-Exclusivity.** It is understood and agreed that, notwithstanding any other provision of this Agreement to the contrary, the citizens of the County shall have the right to select their own lawful methods of disposal of Solid Waste and are not bound by the terms of this Agreement. To the extent permitted by applicable law, if approved by the Commissioner's Court, the County may implement flow



control measures or other similar regulatory structure directing that all Solid Waste generated within Polk County be disposed of in the Landfill.

IV. PERMITTING AND LICENSING

- 4.1 Permits.** All Permits, orders and licenses applicable to the Landfill shall be issued in the name of the County. Without limiting the generality of the foregoing, the Existing Permit will continue to be held, and upon issuance the Expansion Permit will be held, in the name of the County as Permittee. The County shall be responsible, at its expense, for procuring, modifying and renewing all permits, orders and licenses required for the Existing Landfill to be fully operational as of the Commencement Date. Except for securing Permits, orders and licenses already obtained by the County as of such date and subject to the receipt of the Permit Work Product, the responsibility for securing and maintaining the same after the Commencement Date shall be that of the Contractor, and the Contractor shall obtain, at its expense, any federal, state and local licenses and certificates required to perform the described Work in accordance with all applicable laws; provided, that any and all fees, costs, expenses and other charges incurred, arising from or related to activities prior to the Commencement Date (including without limitation the activities engaged in with respect to the Administrative Height Extension and the Expansion Permit) are the responsibility of the County. The Contractor shall materially comply with the provisions of all such Permits, orders and licenses. The County shall supply to the Contractor a copy of all permits, orders and licenses and TNRCC waste discharge requirements for the Landfill, including without limitation any and all documents, instruments and other writings concerning and/or related to the County's efforts to obtain the Expansion Permit. The County agrees to support and assist the Contractor in obtaining any and all Permits necessary hereunder. In addition, the County agrees to immediately support a modification to the Existing Permit at the Landfill to allow the Contractor to apply for the Expansion Permit in the County's name, and to design, permit and develop the expansion of the Landfill as contemplated by the Expansion Permit; provided, that the Contractor shall provide copies of all submittals to TNRCC prior to their submittal and afford the County a reasonable opportunity to comment and provide input on such submittals. The County will cooperate with Contractor in the scheduling of and having appropriate representatives available for public hearings and meetings in connection with the approval of the Expansion Permit
- 4.2 Title to Landfills and Permits.** At all times hereunder, title to the Landfill and all applicable permits shall remain in the name of the County.

V. OPERATION, ADMINISTRATION AND MAINTENANCE OF LANDFILL

Except as otherwise provided herein, the Contractor shall, at its expense, conduct the Work, including, but not limited to, the specific items listed below:

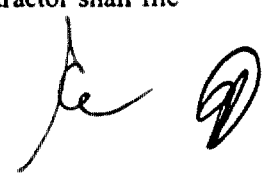
5.1 Annual Reports. The Contractor shall make annual reports to the Contract Administrator within thirty (30) days after the end of each Agreement Year regarding the operation of the Landfill and the activities contemplated hereunder. Such written reports shall include monthly reports for the operations of the Landfill detailing the amount of in-county and out-of-county waste received at the Landfill. Contractor shall furnish to the County within ten (10) days of reporting same to TNRCC and/or EPA, as required by law, or within ten (10) days of receiving any notice, report, order or other filing from TNRCC, EPA, or other agency, a copy of all test and monitoring results, regulatory inspection reports, volume reports, regulatory correspondence, as-built drawings and other documents and reports, including those relating to monitoring, inspecting, permit or order compliance or other activity, which may be required by this Agreement or by law for the Landfill.

5.2 Hours of Operation. Haulers and the public shall only deliver Solid Waste at the Landfill according to the days and hours set forth by law and in all relevant permits. Subject to the foregoing, the Landfill will be open for business and accepting Solid Waste for disposal, at a minimum, Monday through Friday from 7:30 a.m. to 4:00 p.m., and on Saturdays, from 8:00 a.m. to 11:00 a.m., Central Time. The Citizen Collection Stations will be open for business and accepting Solid Waste for disposal on the days and at times set forth in Exhibit H attached hereto; provided, that the Contractor may request from time to time modifications to the number of days and/or hours of operation at some or all of the Citizen Collection Stations in order to meet demand on a cost effective basis, such request not to be unreasonably denied or untimely given.

The Landfill and the Citizen Collection Stations may be closed on New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day and Christmas Day. The Contractor shall obtain prior written approval from the Contract Administrator if the Contractor reduces the operating hours below the above-stated minimum. The Contractor shall be at the Landfill operating during scheduled hours and such additional time as necessary to fulfill the requirements of the Agreement.

5.3 Personnel. Contractor shall offer each employee of the County who is currently employed by the County at the Landfill or the other Facilities and who passes customary drug screening tests an equivalent employment position with Contractor at as least the rate of pay currently applicable, with such benefits as the Contractor and its affiliates generally provide to similarly situated employees.

The Contractor shall assign personnel to perform operations at the Landfill on such days and during such hours that Solid Waste is being delivered and disposed of on the premises, as may be reasonably required to assure a smooth and efficient operation. Contractor shall assign adequate qualified personnel to operate equipment and direct traffic to the proper delivery and/or disposal area. An authorized representative of the Contractor shall be present at the Landfill at all times that any operations are being conducted thereon. The Contractor shall file



with the Contract Administrator the names, addresses and telephone numbers of authorized representatives who can be contacted at any time. These authorized representatives must maintain offices within the County and be fully authorized and be equipped to respond to reasonable requests of the Contract Administrator. If the Contract Administrator finds it necessary to give directions to assure compliance with the provisions of this Agreement, the Contract Administrator shall give such directions in writing to the authorized representative of the Contractor.

An authorized representative of the Contractor shall be responsible for handling complaints from customers of the Landfill, and the Contractor shall post information at the Landfill about how to lodge a complaint. The Contractor shall periodically notify the County of complaints received at the Landfill.

- 5.4 Landfill Monitoring.** Contractor shall periodically, to the full extent required by the Existing Permit, the Expansion Permit, the then-current Solid Waste Laws, conduct groundwater, surface water, air and landfill gas monitoring, sampling and quality control at the Landfill, and shall provide the same information, at its expense, to the County with regard to all testing required by TNRCC in the future. The County may periodically arrange, at its expense, for aerial or ground surveys of the Landfill to be used in conjunction with the Landfill site. The County has constructed, or shall construct within seventy-five (75) days of the Commencement Date, at the County's expense the facilities required under the Gas Remediation Plan as currently in effect with respect to the Existing Landfill. Once constructed, the Contractor shall operate and maintain such remedial system. In the event that County must perform further or additional gas remedial activities or modify any facilities or construct any new facilities under the Solid Waste Laws or other applicable laws or permits with respect to the Landfill, Contractor agrees to so modify existing facilities and construct new facilities and perform such activities during the term of this Agreement, all at Contractor's expense.

The Contractor shall provide a landfill gas monitoring program for methane migration related to the Landfill Expansion, as required by applicable law. The Contractor shall maintain an on-site leachate collection system for the removal of leachate from the Landfill. The Contractor shall be responsible for the actual cost incurred for leachate treatment, pre-treatment, transportation, and disposal, including the pumping, handling and other disposal costs for the Landfill. The County shall use its reasonable efforts to secure for Contractor a cost effective means of leachate treatment, pretreatment and disposal.

5.5 Use of Landfill and Facility Accessibility.

- a. Subject to clause (d) below, the County hereby grants to the Contractor the exclusive right of possession and control of the Citizen Collection Stations and the Landfill and all improvements thereon, and may utilize at no



charge any and all of the natural resources of the Landfill property and the Soil Borrow Area in order to perform its obligations hereunder, including without limitation: (1) the maintenance of all equipment necessary to collect, transport and dispose of waste at the Landfill; and (2) the use of soils for cover and other uses at the Landfill to facilitate Contractor's performance of the Work. The Contractor shall prepare and submit to the County a soil borrow plan prior to the use of such materials. All real property improvements to the Landfill made by the Contractor during the term of this Agreement shall remain on the property and become the property of the County after the term of this Agreement, except to the extent that such improvements must be removed to conduct Closure.

- b. Upon written notice from the Contract Administrator, Contractor shall have the authority to and in its discretion may deny access to the entity or person designated in such notice, whether for non-payment of charges, attempts to deliver Unacceptable Waste, or any other valid reason. Contractor shall ensure that the Landfill is accessible during normal operation hours to County, state and federal officials for any purpose, including inspection, official tours or any other reasonable activity as determined by the Contract Administrator to be appropriate. The Contractor promptly shall notify the Contract Administrator of any inspections by any governmental agencies.
- c. The County periodically shall have the right to inspect the Contractor's landfill operations. The inspection of the Work shall not relieve the Contractor of any obligation to fulfill the Agreement as prescribed hereunder or operate as a waiver of any right of the County under this Agreement.

5.6 Litter, Dust and Noise Control. The Contractor shall use all reasonable efforts to maintain and keep free of litter and other foreign material all areas within the Landfill and on all Access Roads within a minimum of the distance from the gate to the Landfill prescribed by the Solid Waste Laws, including without limitation Texas Regulations, Section § 330.123 (which as of the Commencement Date prescribes a 2 mile distance for public access roads). Contractor shall, in accordance with industry standards, be solely responsible for maintaining the Landfill in a clean, vector-free, and sanitary condition (normal wear and tear excepted). The Contractor shall furnish, maintain and use such dust control equipment as may be reasonably necessary to protect employees, the public and adjacent properties and to minimize the creation of dust at the Landfill.

5.7 Wind Screens (Temporary). The Contractor shall furnish portable wind screens which Contractor shall use during periods of high wind to contain blowing waste, such as paper and other light debris. Suitable equipment and adequate personnel shall be provided to collect windblown waste, as needed, to keep the screens cleared of such waste and to relocate screens cleared of such waste.

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- 5.8 Placement and Compaction of Solid Waste.** Unless otherwise required by the State Regulatory Agencies and confirmed by the Contract Administrator, all Solid Waste delivered to the disposal area shall be placed, compacted, and covered daily by the Contractor. Contractor reserves the right to use synthetic or any other acceptable alternative daily cover, per TNRCC regulations.
- 5.9 Demolition Waste.** Demolition Waste may be placed within the permitted area of the Landfill.
- 5.10 Unacceptable Waste Procedures.** The Contractor shall exert all reasonable efforts to enforce applicable laws, regulations and orders regarding the unlawful disposal of Unacceptable Wastes at the Landfill, and to prevent deposits of Unacceptable Waste at the Landfill, and to prevent the burying of any contaminants ("Unacceptable Wastes") at the Landfill other than those permitted by TNRCC and permitted by this Agreement. It is recognized that some Unacceptable Wastes, including Hazardous and Infectious Wastes, may occasionally be unloaded at the Landfill by waste generators and Haulers. The Contractor shall train appropriate employees to recognize such Unacceptable Wastes and shall use diligent efforts to observe procedures set forth below:
- a. The active operation of unloading, compacting and covering Solid Waste shall be suspended in the immediate vicinity of the identified Unacceptable Waste. Safety measures shall be instituted as necessary.
 - b. If the vehicle that transported the Unacceptable Waste can be identified and is still at the Landfill, the Contractor's employees shall record the license number and any other identifying signs or features of the vehicle and shall request the operator of the vehicle to remain at the Landfill, and shall immediately notify TNRCC and the other agencies and officials as required by law. The Contractor's employees shall endeavor to get the operator of the vehicle that delivered the Unacceptable Waste to take appropriate actions to dispose properly of the Unacceptable Waste. Regardless of Contractor's success in having the offending party remove the Unacceptable Waste, Contractor shall make formal demand upon the responsible party that it remove the Unacceptable Waste or any portion remaining from the Landfill in accordance with procedures approved by TNRCC.
 - c. If no responsible party can be identified or if a responsible party refuses to remove and properly dispose of Unacceptable Waste delivered to or deposited at the Landfill, the Contractor, within forty-eight (48) hours of the discovery of said Unacceptable Waste, shall remove and properly dispose of the Unacceptable Waste, at its costs with full right of recovery against the responsible party. The County hereby assigns to Contractor any and all of its cost recovery rights under CERCLA, 42 U.S.C. § 9601 et seq., against such responsible party when Contractor removes and disposes of such Unacceptable Wastes.

- d. The Contractor shall generate a written report on each discovery of Unacceptable Wastes and notify Contract Administrator by telephone as soon as possible and in any event within seventy-two (72) hours of discovery. The report shall include documentation of interviews with all of the Contractor's employees and others who witnessed the illegal dumping and/or discovered the Unacceptable Waste. The written report shall include descriptions of the suspected vehicle(s), operators of the vehicles, and other information. The report shall indicate the procedures taken by the Contractor to remedy the problem. The Contractor agrees to cooperate and make employees available for any investigation, civil litigation or criminal proceedings regarding the delivery of Unacceptable Wastes.

Ten or more incidents of the disposal of Unacceptable Wastes at the Landfill that are accepted by Contractor without following the above procedures shall constitute an event of default under Agreement.

- 5.11 **Load Checking.** Contractor shall operate a program of spot-checking loads of Solid Waste delivered to the Landfill in compliance with the Solid Waste Laws and all other applicable laws, regulations and ordinances.

VI. ACCESS AND SAFETY

- 6.1 **Haul Roads and Service Roads.** It shall be the Contractor's responsibility to provide and maintain, at its expense, all Haul Roads and Service Roads within the Landfill required for the purposes of transporting Solid Waste to the actual point of disposal, or transporting earth materials for fill within the property, and such other roads within the Landfill as may be required for its convenience. Haul Roads shall be well maintained and shall provide safe all-weather access at all times.
- 6.2 **Access Roads.** The County shall use its commercially reasonable efforts to ensure that the Contractor has adequate Access Road(s) for ingress to and egress from the Landfill and for the purposes of obtaining soils to use as cover at the Landfill and, upon request of the Contractor, shall use its powers of eminent domain to secure and preserve adequate means of ingress and egress; provided, that the costs incurred by the County in the exercise of such powers of eminent domain shall be reimbursed by the Contractor. The Contractor shall not be responsible for the maintenance of roads outside the Landfill property. The Contractor acknowledges and agrees that the access road providing ingress to and egress from the Landfill is a state road, and the County may not have the power or authority to control or regulate traffic on such road; and the County shall have no liability to Contractor to the extent it complies with its obligations under this Section 6.2.
- 6.3 **Fire Protection.** The Contractor shall have the right to use and maintain existing water lines and/or water storage at the Landfill as may be required for fire



fighting. Contractor shall be responsible for payment of utilities on the Landfill (if operating the same) incidental to operation. In the event of a fire, the Contractor shall immediately notify the local fire fighting agency, and shall diligently work to extinguish the fire.

- 6.4 **Access to Tipping Area.** The Contractor shall ensure that vehicles may have clear and safe access to the tipping areas at all times.
- 6.5 **Signs and Traffic.** The Contractor shall provide and maintain all existing and future signs displaying rules applicable to the Landfill in a clean and readable condition. The Contractor shall provide and maintain signs for the convenience of the vehicles using the Landfill and for safe and efficient traffic flow to and from the tipping areas.
- 6.6 **Gate Control.** Contractor shall provide a gate control program at the Landfill as required by applicable state regulations.
- 6.7 **Scales.** Within six (6) months of Commencement Date, the Contractor shall purchase and install at its expense a set of scales.

VII. **EXPANSION OF LANDFILL FACILITY**

- 7.1 **Contractor's Responsibility.** When future expansions of the Landfill Expansion are desired by Contractor, the Contractor may, at its cost, expand the existing Landfill in accordance with the Solid Waste Laws, and to obtain all licenses, permits and approvals necessary to open and operate the Landfill on behalf of the County. The Landfill, as expanded, will continue to be owned by the County and all permits for this facility shall be issued in the name of the County.
- 7.2 **County's Responsibility.** The County shall, as needed, assist the Contractor in obtaining any and all Permits, licenses and approvals necessary or advantageous to open and operate the Landfill, and to acquire any real estate interests (e.g., additional land, soil and other cover material, rights-of-way, easements, rights of ingress and egress) necessary or advantageous to construct and operate the Landfill, and once the Landfill has been opened, to dispose of Solid Waste at the Landfill. The County shall exercise any and all of its rights, which includes without limitation, the power of eminent domain, to provide such assistance to Contractor; provided, that the costs incurred by the County in the exercise of such powers of eminent domain shall be reimbursed by the Contractor.
- 7.3 **Contractor's Rights.** The Contractor may design and construct such expansions of the Landfill in its discretion using the property within the Landfill Expansion boundaries, as long as Contractor complies with all laws. The Contractor may contract for and accept any and all Solid Waste for disposal at the Landfill as expanded; provided it complies with all laws, rules and regulations governing the expanded Landfill and complies with its other obligations under this Agreement .

VIII. CLOSURE OF LANDFILL

- 8.1 Final Cleanup.** Upon completion of this Agreement, the Contractor shall remove from, and dispose of, all surplus and discarded materials, rubbish, temporary structures, construction equipment and debris which may have accumulated at or upon the Existing Landfill during the term of this Agreement.
- 8.2 Closure/Post-Closure Care of Existing Landfill.**
- a. It is the intent of the parties that the Expansion Permit shall provide for a design for the Landfill Expansion that will eliminate or significantly reduce any separate Closure and Post-Closure Care activities for the Existing Landfill. If notwithstanding the efforts of the parties, a portion of the Existing Landfill may not be located underneath the airspace permitted for landfilling activities under the Expansion Permit, the Contractor agrees to perform Closure for such non-covered portion of the Existing Landfill for a fixed price of \$25,000 per acre (adjusted for increases in the Price Index, as defined in Section 10.3 of this Agreement, between the Commencement Date and the date of Closure), payable by the County at the time of completion of such Closure, and payment shall be made by credit against Host Fees due under Section 10.6; provided, that in the event that Host Fees do not fully discharge the costs of Closure due to the Contractor for Closure, the County shall pay the entire outstanding balance of amounts due to the Contractor of the Existing Landfill within thirty (30) days of receipt of notice.
- b. The Contractor agrees to perform Post-Closure Care on the Existing Landfill during the term of the Agreement. In the event that there are costs of Post-Closure Care for the Existing Landfill that are separate and apart from the Post-Closure Costs, and Contractor never operates under the Expansion Permit, then in such event the Contractor shall be financially responsible for such costs of Post-Closure Care of the Existing Landfill on a pro rata basis to reflect the portion of Landfill air space utilized during the course of Contractor's operations under this Agreement as a fraction of all air space utilized at the Landfill. Such financial responsibility shall be satisfied in full by calculating such amount upon the termination of this Agreement and payment of such amount to the County.
- 8.3 Closure/Post-Closure Care of Landfill Expansion.** As long as the Landfill is closed during or following the end of the term of this Agreement under the applicable federal and/or Solid Waste Laws, Contractor shall be responsible for compliance with the Closure requirements under such laws for the portions of the Landfill closed during the term of this Agreement. If all or any portion of the Landfill goes through Closure during the term of this Agreement, then Contractor shall also be responsible during the term of this Agreement for Post-Closure Care for such portions of the Landfill. Following the termination of this Agreement, the County shall immediately assume full responsibility for performing the Post-



Closure Care requirements for the Landfill; provided, that Contractor shall pay an amount equal to the percentage of airspace permitted by the Expansion Permit filled by the Contractor during the term of this Agreement multiplied by the Post-Closure Costs for the full airspace permitted by the Expansion Permit.

- 8.4 Financial Assurances.** The County acknowledges that the County has an annual financial assurance requirement with the State of Texas for Landfill Closure and Post-Closure Care, and that the County may satisfy this requirement by a municipal financial test or a municipal guarantee. The County will continue to meet such annual financial assurance obligations with the State. In consideration of such obligation, the Contractor will provide (upon acceptance of waste in the Landfill Expansion) the County with financial assurance for the performance by the Contractor of (1) Closure for the Landfill Expansion, and (2) payment of the Post-Closure Payment; such Closure amount shall be determined by multiplying the percentage of the airspace used in the Landfill Expansion during the term of this Agreement multiplied by the Expansion Permit's estimated cost of Closure of the Landfill Expansion. Contractor shall be entitled to select in its sole discretion the methods and/or instruments of financial assurance to be provided to the County to satisfy such financial assurance obligations, and Contractor may from time to time change and/or substitute such methods and/or instruments; provided, that the form of any financial assurance instrument provided from time to time by the Contractor to the County pursuant to this section shall be acceptable to the County. Notwithstanding the foregoing, the County agrees that the Contractor may meet its financial assurance requirements under this provision by providing the County with a performance bond from an insurance company authorized to transact business in the State of Texas and reasonably acceptable to the County. The performance bond shall be renewed annually, and in an amount equal to the amount of airspace (converted into tons) used in the Landfill Expansion (as determined by an aerial topographic review by Contractor) multiplied by the amortized per ton costs of Closure and Post-Closure set forth in the Landfill Expansion Permit. After the Contractor has performed all of its Closure obligations for the Landfill Expansion under this Agreement and paid the County for Post-Closure Care as set forth above, Contractor may immediately cancel or terminate any and all bonds, letters of credit or other similar instruments provided to the County by Contractor. Notwithstanding anything contained in this Agreement to the contrary, Contractor's obligations with respect to Closure and Post-Closure Care are subject to and contingent upon Contractor's access to any funds escrowed, secured or otherwise reserved by or on behalf of the Contractor for the Closure and/or Post-Closure Care of the Landfill Expansion pursuant to or in lieu of this Section that is available to or for the benefit of the County.
- 8.5 Early Termination of Agreement.** In the event that this Agreement is terminated during and/or prior to the end of the Landfill's operational life, the County shall immediately assume full responsibility for Closure and Post-Closure Care for the Landfill. Upon such termination, and subject to the financial responsibilities assumed by the Contractor under Sections 8.2 and 8.3 hereof, the Contractor shall be relieved of any further responsibility for Closure of and Post-

Closure Care for the Landfill. If the early termination is exercised by the Contractor or is due to inability of the Landfill to remain economically capable of accepting waste, then the Contractor shall conduct Closure on any portion of the Landfill Expansion that has accepted waste, unless the County provides written instructions to the Contractor to not conduct such activities within sixty (60) days of the termination of the Agreement.

IX. DEFAULT

- a. The County, by written notice of default to Contractor, may terminate all or any part of this Agreement if Contractor fails to perform any provisions of this Agreement including, but not limited to the following, provided Contractor has failed to cure its default within forty-five (45) days after receipt of written notification by the County; and if such default cannot be cured within forty-five (45) days, the Contractor must promptly initiate steps to cure the default and diligently pursue correcting the default until cure is achieved which cure must be achieved as soon as practicable, but in no event more than 180 days after the county's written notice of default: *provided however*, that the Contractor must use all commercially reasonable dispatch to cure any breaches of its obligations hereunder that create conditions at the Landfill or the other Facilities that could adversely affect public health, sanitation and the condition of the Facilities, and in the event that the Contractor fails to use such dispatch, the County is entitled to take any and all such actions, with or without the assistance of the Contractor and without prejudicing its rights to receive compensation from the Contractor for any breach of this Agreement, in order to assure continued operation of the Landfill and the Facilities, to promote public health and sanitation and to the condition of the Facilities:
1. failure of Contractor to comply with the all Landfill Permit conditions;
 2. failure of Contractor to prevent dumping of non-permitted wastes at the Landfill pursuant to Section 5.10 hereof and does not correct the situation pursuant to Section 5.10 hereof;
 3. Contractor intentionally makes any written representation, certification, covenant or warranty, expressed or implied, herein which shall prove false and/or misleading in any material respect (which failure constitutes an event of default that cannot be cured and entitles County to terminate this Agreement immediately);
 4. Contractor fails to perform any aspect of the Work;
 5. Material violation by Contractor of any federal, state or local law, rule, resolution or ordinance applicable to the Work; or
 6. Occurrence of any event of default specified in this Agreement.



- b. In the event the Contractor is in default hereunder, as set forth above, the County shall have the right, but not the obligation, to cure said default, at Contractor's expense.
- c. In the event the County terminates this Agreement in whole or in part as provided in Paragraph (a) of this Subsection, the County shall have the right to assume control over the operations on the Landfill, and to operate the Landfill for the remainder of the term of this Agreement and the Performance Security shall be forfeited to the County to the extent of actual damages.
 - 1. Contractor shall have the right to terminate this Agreement in the event of a material breach of this Agreement by the County, which, after sixty (60) days following written notice from Contractor, has not been cured.
 - 2. The rights and remedies of the parties provided in this paragraph IX shall not be exclusive, and are in addition to any other rights and remedies provided by law or under this Agreement. Failure on the part of either party to exercise any right or remedy granted to it hereunder for previous default shall not constitute a waiver to exercise any right or remedy granted to it hereunder in the event of a subsequent default.

X. REVENUE COLLECTION & COMPENSATION

- 10.1 Revenue Collection: Billing.** The Contractor will be responsible for collection of all revenue, including tipping fees, for use of the Landfill, the Citizen Collections Station, and the Commercial Container Fleet. The Contractor will be responsible for the operation of the entry gate to the Landfill, scale house and computer in accordance with the permit and applicable law, collect cash at the Landfill, and for the billing and collecting of all revenue for the disposal of waste at the Landfill. The Contractor will be responsible for the payment of all local, state or federal fees and/or surcharges assessed to waste.
- 10.2 Service Fee.** Contractor shall receive all revenue, fees, charges, assessments or other income collected for activities conducted at the Landfill, the Citizen Collection Stations, and the Commercial Container Fleet from and after the Commencement Date, as Contractor's fees for services rendered under this Agreement.
- 10.3 Tipping Fees and Other Charges.** Contractor shall have the right to establish in its discretion, all rates, fees and charges for (1) the disposal of waste delivered to the Landfill (2) the collection, transportation and disposal of waste delivered to the Citizen Collection Stations; provided, that the Contractor agrees to continue to charge residents delivering household waste at the Citizen Collection Stations at rates set forth in Exhibit H hereto, subject only to annual adjustments (in the

Contractor's discretion) up to an amount not to exceed the increase in the Price Index, as defined below, and (3) the collection, delivery and disposal of all solid waste related to the commercial container fleet accounts (collectively, the "Rates"), which it may adjust, modify or supplement from time to time for any reason; provided, however, that the charge for Polk County Generated Solid Waste shall not exceed the lowest rate offered by the Contractor to any other generator of municipal Solid Waste of a similar nature. The charge for household Solid Waste collected at the Citizen Collection Stations (the "CCS Rate") during the first twelve (12) months after the Commencement Date, shall not exceed \$6.00 per cubic yard, and thereafter such charge shall be subject to annual adjustments based on the Price Index, as provided hereinbelow. The Contractor reserves the right to charge for Solid Waste on any reasonable unit of measurement, including without limitation, on a per ton or cubic yard basis, or any combination thereof, in its discretion; provided, that any conversions between cubic yards and tons shall be based on the TNRCC's conversion formula set forth in Texas Regulations, 30 T.A.C. § 330, Subchapter P, Form E of the State MSW regulations.

The CCS Rate shall be adjusted as of each anniversary date of the Commencement Date, to reflect increases, if any, during the previous twelve month period, in the Consumer Price Index, new series, as issued by the Bureau of Labor Statistics of the United States Department of Labor (the "Price Index"). The adjusted CCS Rate shall be established for the next twelve (12) months, based on the result of multiplying the current CCS Rate set forth above by a fraction, the numerator of which shall be the Price Index ending in November in the year preceding the most recent date, and the denominator of which shall be the Price Index for the previous September:

$$\text{current Rate} \times \frac{\text{Price Index September, current year}}{\text{Price in effect, preceding year}}$$

In the event the Price Index ceases to incorporate a significant number of items, or if a substantial change is made in the method of establishing the Price Index, then the Price Index used herein shall be adjusted to the figure that would have resulted had no change occurred in the matter of computing the Price Index. In the event that an index (or a successor or substitute index) is not available, a reliable governmental or other non-partisan publication evaluating the information thereto for use in determining this Agreement's Price Index shall be used in lieu of the consumer price index.

The County shall not impose any surcharge, fee, duty, tax or other charge upon the operation or management of the Landfill and the Citizen Collection Stations. In the event that such charges cannot be prohibited under this Agreement and are imposed, the Contractor shall be entitled to make an adjustment in any and all rates, in its discretion, including without limitation the rate for Polk County Generated Solid Waste.

- 10.4 Verification of Weights.** Quantities of Solid Waste delivered to the Landfill for processing, handling or disposal shall be measured by scale ton, based on weight slips for each load weighed. Such weight slips shall show the gross weight of the truck, including that of the Solid Waste, the tare weight of the truck and the net weight of the Solid Waste. Weight slips and minimum load slips obtained when the Solid Waste is received and weighed at the Landfill shall be used as the basis of payment. In the event the scales are inoperable, a vehicle or container will be charged based on the historical net weight in tons of such vehicle or container. Weigh-out may be optional if contractor has a current tare weight on file for the vehicle or container.
- 10.5 Payment Terms.** For all waste (other than Polk County Generated Solid Waste) delivered by Haulers, Contractor shall negotiate acceptable payment terms, including appropriate deposits, with such Haulers. For waste delivered by the County, or any of the County's municipalities which qualify for the Rate structure set forth in Section 10.3, above, Contractor agrees to submit an invoice for payment by the fifteenth (15th) of each month for the immediately preceding month's waste accepted and disposed. The County or the appropriate municipality shall make payment to the Contractor by the twenty-fifth (25th) of the same month in which the entity was invoiced. The invoice will be considered delinquent by the tenth (10th) of the subsequent month, and a 1-1/2% delinquency charge may be assessed by Contractor.
- 10.6 Host Fees.** Contractor agrees to pay the County host fees for all Solid Waste disposed of at the Existing Landfill during the term of this Agreement in an amount equal to two and one-half percent (2.5%) of Gross Collections; provided, that the host fees for waste accepted at the Existing Landfill shall increase to five percent (5%) of Gross Collections after an increase in airspace becomes available as a result of an amendment or modification of the Existing Permit. Contractor agrees to pay the County host fees for all Solid Waste disposed of at the Landfill Expansion during the term of this Agreement in graduated amounts equal to:

<u>Average Tons per Day</u>	<u>Percentage of Gross Collections</u>
750 or less	5.0%
751-1000	6.0%
1000-1500	7.0%
Over 1500	8.0%

For purposes of this provision, the "average tons per day" shall be determined by dividing the gross tonnage accepted and disposed of in the Landfill during any calendar quarter by the actual number of days during such calendar quarter that the Landfill accepted waste. "Gross Collections" for purposes of this Agreement shall mean all tipping fees charged to generators of Solid Waste disposed of in the Landfill; provided, that such collections do not include any and all fees, taxes, and similar assessments imposed by governmental agencies or bodies on the operations of the Landfill. These host fees shall be paid quarterly. Payment to the County shall be payable by Contractor on or before the fifteenth (15th) day of

the month following the previous applicable quarter. The payment from the Contract of host fees shall be delinquent on the twenty-fifth (25th) day of the month in which payment is due, and a 1-1/2% delinquency charge may be assessed by County.

Notwithstanding the foregoing, the Host Fees for any period of in which time (and only for so long as) the County is receiving a credit for Host Fees against the costs of Closure of the Existing Landfill as set forth in Section 8.2 hereof, shall be in the graduated amounts equal to:

<u>Average Tons per Day</u>	<u>Percentage of Gross Collections</u>
750 or less	5.0%
751-1000	7.5%
1000-1500	10.5%
Over 1500	12.5%

XI. NO ENCUMBRANCES

11.1 Sale or Encumbrance of the Landfill. This Agreement and all the rights of Contractor hereunder shall run with the real property, and the County will not in any manner sell, alienate, mortgage or encumber the Landfill, unless such purchaser, transferee or lien holder takes, subject to all terms and conditions of this Agreement, evidence of which shall be furnished in advance to the Contractor, in form and substance satisfactory to the Contractor; and any attempt to sell, alienate, mortgage or encumber the Landfill contrary to the provisions hereof shall be void as to the Contractor.

The Contractor agrees that it shall not cause or allow any liens, encumbrances, charges or assessments to be placed or levied upon the Landfill or any interest therein, and further agrees that, in the event of such occurrence, it will promptly and fully discharge the same, or take other commercially reasonable actions to protect Contractor's interests under this Agreement.

XII. GENERAL PROVISIONS

12.1 Independent Contractor. The Contractor is, for all purposes arising out of this Agreement, an independent Contractor and shall not be deemed an employee, agent or mandate of the County. It is expressly understood and agreed that the Contractor nor any of its officers, employees, agents or representatives shall in no event as a result of this Agreement be entitled to any benefits to which the County employees are entitled, including, but not limited to, overtime, any retirement benefits, worker compensation benefits, any injury leave or other leave benefits.

12.2 Assignment; Transfer of Equity; Ownership Disclosure. This Agreement or any portion thereof may not be assigned by the Contractor without the expressed prior written consent of the County, which shall be in the County's discretion. Any equity in the Contractor may not be transferred by its owner without any

expressed prior written consent of the County, which shall be in the County's discretion. Notwithstanding the foregoing, any bona fide security interest in this Agreement and/or in equity of the Contractor that secures financing to facilitate the performance of this Agreement shall not be considered an assignment of this Agreement or a transfer of equity for purposes of this Section.

It is reasonable for the County to withhold approval of the Contractor's assignment if the proposed assignee is not at least as qualified as Contractor to operate the Landfill and at least as financially viable as the Contractor. In the event that the Contractor intends to assign all of its rights under this Agreement to a third-party, Contractor shall give written notice to the County of such an offer and the County shall have sixty (60) days to match the terms of the offer.

At the request of the Contract Administrator, the Contractor shall provide proof of corporate entity and names of all its officers, principals, significant stockholders, employees, silent partners, and all other persons holding a beneficial interest in the Contractor.

12.3 Hold Harmless Clause; Exculpation of County's Officers, Employees or Agents.

- a. Subject to the terms of this Agreement, the Contractor agrees to defend, indemnify and hold the County, its officers, agents, and employees, harmless against any and all claims, lawsuits, judgments, costs and exposes for personal injury (including death), property damage or other harm for which recovery of damages is (1) sought by a third party that may arise out of or related to operation of the Landfill during the term of this Agreement, or (2) sought by the County that may arise out of or related to the Contractor's breach of its obligations under this Agreement, except for either of those claims directly caused by the act or omission of the County. The provisions of this paragraph are solely for the benefit of the parties hereto and not intended to create or grant any rights, control or otherwise, to any other person or entity.
- b. To the extent permitted under applicable law, the County agrees to defend, indemnify, hold the Contractor, its officers, agents and employees harmless against any and all claims, lawsuits, judgments, costs and exposes for personal injury (including death), property damage or other harm for which recovery of damages is (1) sought by a third party incurred by or asserted against the Contractor, arising out of or related to the Landfill, or (2) sought by the Contractor that may arise out of or are related the County's breach of its obligations under this Agreement except for those claims that (A) are directly caused by the act or omission of Contractor, or (B) may arise out of or related to the operation of the Landfill during the term of the Agreement.

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- c. Notwithstanding any other term of this Agreement, claims that give rise to indemnity rights in favor of both the County and the Contractor under this Section 12.3 shall be apportioned between Contractor and County under a theory of comparative negligence.
- d. No claim whatsoever shall be made by the Contractor against any officer, employee or agent of the County for, or on account of, anything done or omitted to be done by the County in connection with this Agreement.
- e. Neither the members of the Commissioner's Court nor any County Judge nor any of their respective assistants, or employees, nor any other agent of the County shall be personally responsible for any liability of the County arising under or growing out of the Agreement, or operations of the Landfill under the terms of the Agreement.
- f. **WITHOUT LIMITING OR ENLARGING THE SCOPE OF THE INDEMNIFICATION OBLIGATIONS SET FORTH IN THIS AGREEMENT, AN INDEMNIFIED PARTY SHALL BE ENTITLED TO INDEMNIFICATION IN ACCORDANCE WITH THE TERMS OF THIS AGREEMENT, REGARDLESS OF WHETHER THE LOSS OR CLAIM GIVING RISE TO SUCH INDEMNIFICATION OBLIGATION IS THE RESULT OF THE SOLE, CONCURRENT OR COMPARATIVE NEGLIGENCE, STRICT LIABILITY OR VIOLATION OF ANY LAW OF OR BY SUCH INDEMNIFIED PARTY. THE PARTIES AGREE THAT THIS PARAGRAPH CONSTITUTES A CONSPICUOUS LEGEND.**

12.4 Taxes, Assessments and Fees. The terms of this Agreement may result in the creation of a possessory interest. If such a possessory interest is vested in the Contractor, the Contractor may be subject to the payment of state taxes levied on such interest. The Contractor shall be responsible for the payment of, and shall pay before delinquent, any and all taxes, assessments fines, penalties, permit and/or license fees and any other fees assessed or levied upon the Contractor on any buildings, structures, machines, appliances or other improvements of any nature whatsoever, or on any interest therein, or by reason of the business or other activities of Contractor hereunder during term of this Agreement. The Contractor further agrees not to allow such taxes, assessments or fees to become a delinquent lien. Nothing herein contained shall be deemed to prevent or prohibit the Contractor from contesting the validity or the amount of any such tax, assessment or fee in the manner authorized by law.

12.5 Insurance. The Contractor shall secure and maintain throughout the term of this Agreement the following types of insurance with limits as shown to protect the County, the Contract Administrator and the authorized agents and employees of all the above, from any damage claims, including exemplary or punitive damages, for damage such as bodily injury, death or property damage, which may arise from the Contractor's operations under this Agreement, whether such operations



be by Contractor, a subcontractor, an agent of Contractor, or anyone employed by Contractor directly or indirectly. The Landfill property owner shall be named as an additional insured on all insurance policies providing coverage as to the Landfill site and all activities conducted thereon:

- a. Worker's Compensation Insurance. The Contractor shall procure and maintain during the term of this Agreement Worker's Compensation Insurance for all of its employees to be engaged in the Work under this Agreement. In case any class of employees engaged in the Work under this Agreement is not protected under the Workers Compensation Statute, the Contractor shall provide employer's liability insurance for the protection of such of its employees as are not otherwise protected. Employer's Liability Insurance shall be a minimum of \$1,000,000 each occurrence.
- b. Contractor's General Liability Insurance. The Contractor shall procure and maintain in full force and effect during the term of this Agreement and including completed operations and coverage for underground explosion or collapse, a Comprehensive Liability Policy on an occurrence basis. Comprehensive Liability Insurance shall be a yearly minimum of \$1,000,000 per occurrence and \$5,000,000 in the aggregate.
- c. Comprehensive Automobile Liability Insurance. The Contractor agrees to carry a Comprehensive Automobile Liability Policy providing bodily injury liability on an occurrence basis and providing Property Damage Liability on an accident basis. The policy shall protect the Contractor against all liability arising out of the use of automobiles, both private, passenger, and commercial, regardless of whether such vehicle shall be owned by the Contractor, owned by others, or hired. Limits of Liability for Comprehensive Automobile Liability Insurance shall be \$ 1,000,000 per occurrence combined single limit.
- d. Certificate of Insurance. This Certificate shall be used in submitting evidence of compliance with the above requirements. The Contractor will provide the County with a copy of The Contractor's Certificates of Insurance.

The foregoing insurance policies shall be carried with responsible insurance companies authorized to transact business in the State of Texas; shall name the County as an additional insured; shall provide that with respect to the interest of the County in such policy or policies, the insurance shall not be invalidated by any action or inaction of the Contractor or by any breach or violation of Contractor of any warranties, declarations or conditions contained in such policy or policies; and shall provide that County shall be given at least thirty (30) days written notice prior to any modification or termination of said insurance. Prior to the commencement of any activity or operation by the Contractor hereunder,



the Contractor shall furnish to the County certificates evidencing insurance coverage satisfactory to the County as set forth herein above.

12.6 Performance Security; Guarantee.

- a. The Contractor shall provide at its expense, and maintain during the entire term of the Agreement and for a period of one year after the termination of this Agreement, Performance Security in the amount of One Million and No/100 Dollars (\$1,000,000.00) payable to the County for the faithful performance of this Agreement by the Contractor. The Performance Security shall remain in effect to fully indemnify and save harmless the County from all costs and damages, which the County may suffer by reason of an act or omission of Contractor in its performance under this Agreement.

Should the rating of the surety or banking institution be significantly downgraded or should such entities become insolvent or file for protection under the bankruptcy laws, the Contractor shall promptly furnish such additional surety or substitute bond or letter of credit at the Contractor's expense as may be reasonably be required by the County to ensure the performance of Contractor's obligations under this Agreement.

- b. Santek Environmental, Inc. hereby guarantees the performance of this Agreement by the Contractor.

- 12.7 Cooperation; Non-Compete.** Whenever the consent, approval or cooperation of one party is expressly or implicitly required or is necessary by the terms of this Agreement or to the effective and successful performance of the other party, such consent, approval or cooperation shall not be unreasonably withheld, denied, or delayed. The Contractor agrees to develop markets for the Landfill and will not divert Solid Waste streams that would be economically acceptable for disposal in the Landfill in the geographic area within thirty (30) miles of the Landfill. The County will support the efforts of the Contractor in obtaining any additional permit modifications and approvals and will cooperate, with Contractor in the scheduling of and having appropriate representatives available for public hearings and meetings. The County agrees that it shall not discourage Solid Waste streams from using the Landfill, and it will not take any action or omission that would unreasonably impair or interfere with the performance of the Contractor's obligations under this Agreement or the benefits and rights of the Contractor hereunder, including without limitation the creation or operation of, or making investments in, or offering financial incentives for, a competing solid waste landfill or alternative technologies or processes for waste disposal, collection, transfer or treatment in the County or within any solid waste region that includes the County, whether owned or operated by the County or a private entity or the assignment of this Agreement to any party other the County, or the sale, transfer or further encumbrance of its interest in the Landfill. Other than the Host Fees



provided pursuant to Section 10.6 hereof, the County agrees that it shall not impose any fee, surcharge, duty, tax or other charge of any nature against the Contractor, the Landfill, the Facilities, the Citizen Collection Stations and the Landfill Permit, which is payable from revenues generated under this Agreement, the operations conducted by the Contractor, or operations of the Landfill. Nothing in this provision shall be construed to obligate the County to acquire any real estate or incur any indebtedness.

12.8 Audit and Inspection of Records.

- a. The Contractor shall keep accurate records of all income and expenditures related to the operation of the Landfill, and/or to any activity performed at the Landfill by the Contractor. At any time during normal business hours and as often as the County may reasonably deem necessary, the Contractor shall make available to the County for examination of copies all of its data and records with regarding matters covered by this Agreement, and shall permit the County to audit, examine, and make excerpts or transcripts from such data and records, and to make audits of all invoices, material, payrolls, records of personnel, records of equipment usage if requested by the Contract Administrator, and other data relating to all matters covered by this Agreement. All State Inspector reports will be made available to Contract Administrator within five (5) days of receipt of such report. The County or its authorized representative shall, until the expiration of five (5) years after final payment under the Agreement, have reasonable access to and the right to examine directly any pertinent books, documents, papers and records of the Contractor relating to the Work. At the end of such five (5) year period, the Contractor shall provide copies of all documents that materially pertain to the Contractor's performance of the Work which have not previously been provided to the County. The right to audit and inspect records may be exercised at any time during normal business hours with reasonable advance notice. The County shall permit the Contractor to inspect and audit all data and records of quantities of Solid Waste previously delivered to the Landfill. The Contractor's access shall be any time during normal business hours and as often as the Contractor may reasonably deem necessary. The County shall permit the Contractor to audit, examine, and make excerpts or transcripts from such data and records. The County shall maintain such data and records in an accessible location in the County. At the expiration or termination of this Agreement and at the County's request, Contractor shall provide County with exact photocopies of all documents not previously provided to the County that materially pertain to its performance under this Agreement (excluding confidential trade information) including all documents transmitted to or received from any governmental agency.
- b. Monthly Reports. Within thirty (30) days of the end of each calendar month during the term of this Agreement, the Contractor shall provide to the Contract Administrator a written report on the month's gross volume

Handwritten signature and initials in the bottom right corner of the page.

of Solid Waste received for disposal and gross receipts from operation of the Landfill. The Contractor will provide a complimentary copy of such report to the County Administrator.

- 12.9 Control of the Work.** The Contractor may not change any conditions of Work under this Agreement without the prior written approval of the Contract Administrator. The Contractor shall not be assessed with damages for delay in performance of Contractor's obligations hereunder where such delay is caused by the County's failure to perform its obligations under this Agreement.
- 12.10 Force Majeure.** Notwithstanding the foregoing, the Contractor shall not be assessed with damages during any delay in the performance of its obligations hereunder caused by events beyond the reasonable control of Contractor, including without limitation: acts of God, war, riot, explosion, sabotage fires caused by an unrelated third party, floods, earthquakes, epidemics and quarantine restrictions, labor strikes, suppliers' or vendors' strikes, freight embargoes and severe weather conditions, legislative action, regulatory action or inaction, provided that such events are not the result of Contractor's material fault or negligence. The Contractor shall make reasonable efforts to mitigate the effects of said causes.
- 12.11 Compliance with Laws.** Contractor agrees to comply with all federal, state and local laws and regulations now in force and which may hereafter be in force during the term of this Agreement, including compliance with all applicable permits, licenses, testing, reporting and inspections on such terms as all such requirements are amended and in force at all applicable times
- 12.12 OSHA; Subcontracting.** Contractor shall comply with the Department of Labor Safety and Health Regulations for construction promulgated under the Occupational Safety and Health Act of 1970 (PL-596) and under Section 107 of the Contract Work Hours and Safety Standard Act (PL91-54) or as amended. Texas statutes and regulations. Contractor shall have the right to subcontract all or a substantial portion of any or all of the Work; provided, that any subcontract of a substantial portion of the Work shall be approved by the express written consent of the Commissioner's Court, which approval shall not be unreasonably withheld and timely given. For purposes of this provision, substantial portion of the Work means the subcontracting of the obligations to manage and oversee the operation of the Landfill. The Contractor shall give its personal attention to the fulfillment of the Agreement and shall keep the Work under its control. No subcontractor shall be recognized as such, and all persons engaged in the Work shall be considered as employees of the Contractor, and Contractor shall be held responsible for a subcontractor's Work, which shall be subject to the provisions of the Agreement.

All workers at the Landfill and other Facilities shall come under the applicable labor provisions. Workers include, but are not limited to, employees of the Contractor, subcontractors and consultants and their employees, equipment rental

firm employees and owner-operators. Workers do not include employees of suppliers solely involved in transporting materials and supplies to or from the location of the Landfill and other Facilities.

The Contractor shall bind, by written agreement, each equipment rental firm employed on the project to the conditions of the Contract regarding labor provisions.

12.13 Discrimination. Contractor shall not discriminate against any person because of race, sex, age, creed, color, religion or national origin.

12.14 Notices. All notices or other communications required or permitted hereunder shall be sent by telecopier, facsimile, certified mail or by express mail, addressed as follows or to such other addresses as may be designated hereunder from time to time:

Contractor: Santek Environmental of Texas, LLC
650 25th Street, NW, Suite 100
Cleveland, TN 37311
Attn: President
Fax: (423) 479-1952

With copy to: Bass, Berry & Sims PLC
2700 First American Center
Nashville, TN 37238-2700
Attn: Scott Thomas
Fax: (615) 742-6243

County: Polk County Commissioner's Court
Polk County Courthouse, Third Floor
101 W. Church
Livingston, Texas 77351

With a copy to: John P. Thompson, County Judge
Polk County Courthouse, Third Floor
101 West Church
Livingston, Texas 77351

12.15 Affirmative Action and Equal Employment Opportunity. Contractor shall comply with all affirmative action and equal employment opportunity requirements as set forth herein or as required by applicable laws, rules or regulations.

12.16 Drug Testing. Contractor shall adopt appropriate drug testing procedures for employees at the Landfill and shall administer drug testing in compliance with such procedures.

12.17 Time is the Essence/Survival or Terms. Time is of the essence in this Agreement and in each of its provisions. The provisions of paragraph 12.3 (Hold Harmless Clause) shall survive the termination of this Agreement for a period of five (5) years following the termination of this Agreement.

12.18 Agreement Challenges.

- a. Intent. Under this Agreement, Contractor agrees to undertake at its expense the future development of the Landfill, which will require Contractor to invest several millions of dollars into the Landfill. Contractor's only way to recoup and earn a return on its investment is to operate the Landfill throughout the term of this Agreement. This paragraph is intended to prevent Contractor from losing its substantial investments in the Landfill in the event the validity of this Agreement is challenged. However, this paragraph only makes the County responsible for protecting the Contractor's investments when the County will benefit from the continuing operation of the Landfill. For example, if the Contractor develops a new cell in the Landfill that remains unused or partially unused when an Agreement Challenge renders the Agreement void, and the County then subsequently uses or causes the use of such cell in the Landfill, the Contractor is entitled to Loss Compensation. However, if under the same example the County closes the Landfill and never uses the available air space, the County does not owe the Contractor Loss Compensation.
- b. Loss Compensation. In the event of an Agreement Challenge, as defined hereafter, the Contractor's obligations hereunder for capital improvements to the Landfill shall be suspended until a final resolution of the Agreement Challenge favorable to the Contractor, unless the County in its sole discretion provides the Contractor with adequate protections in the event of a successful Agreement Challenge; provided, that such suspension of obligations to make improvements shall not impair the Contractor's obligation to operate the then existing cell(s) of the Landfill. In the event of a successful Agreement Challenge, the County shall provide Contractor with Loss Compensation unless the Landfill is and remains permanently closed. For purposes of this Agreement, Agreement Challenge means any administrative or judicial proceeding initiated or threatened by anyone other than the Contractor that contests the validity of this Agreement or the County's ability to enter into and bind the County to any of the terms and conditions of Agreement, or that result in or threatens a material adverse impact on the Contractor's rights to operate the Landfill under this Agreement, but does not include any actions by the County to enforce its rights under the Agreement. For purposes of Agreement, Loss Compensation shall be a reasonable amount of compensation, on a time and materials basis, for improvements to the Landfill consistent with the Solid Waste Laws, implemented or paid for by the Contractor; provided, that Loss Compensation does not include any element of loss of future



profits from operation of the Landfill. Loss Compensation may be satisfied by the County requiring subsequent operators of the Landfill (including without limitation the Contractor) to discharge the Loss Compensation obligation.

XIII. MISCELLANEOUS

- 13.1 **Complete Agreement.** This Agreement, including the Exhibits, represents the complete agreement between the parties, and it supersedes all prior agreements, requests for proposals, and proposals.
- 13.2 **Section Headings.** The section or paragraph headings are used only for convenience and are not to be used in determining the intent of the parties or in otherwise interpreting this Agreement.
- 13.3 **Provisions Unenforceable.** If any provision of Agreement shall be declared illegal, void or unenforceable, the other provisions shall not be affected but shall remain in full force and effect, unless the resulting interpretation of the Agreement shall materially alter the obligations of either party so as to work an unfair hardship on such party (the "Burdened Party"), in which case the Burdened Party shall have the option to request a renegotiation of the Agreement and/or to terminate this Agreement upon ninety (90) days advance written notice to the other party. Agreement may be modified, amended, discharged or waived only by an agreement in writing signed by each party.
- 13.4 **Successors and Assigns.** This Agreement shall be binding upon and will inure to the benefit of the successors and assigns of the respective parties hereto.
- 13.5 **Counterpart.** This Agreement may be executed in counterparts, each of which, when so executed and delivered, shall constitute an original, fully enforceable counterpart for all purposes.
- 13.6 **Attorney's Fees.** The parties hereto shall be responsible for their own attorney's fees in any action related to this Agreement.
- 13.7 **Governing Laws.** This Agreement will be governed by and construed according to the laws of the State of Texas.

POLK COUNTY, TEXAS

By: 
John P. Thompson

POLK, County Judge



SANTEK ENVIRONMENTAL OF TEXAS,
LLC

By: 

Edward A. Caylor, President

AS GUARANTOR:

SANTEK ENVIRONMENTAL, INC.

By: 

Edward A. Caylor, President



EXHIBIT A
SOIL BORROW AREA

EXHIBIT B

COMMERCIAL CONTAINER FLEET

EXHIBIT C

EQUIPMENT

Vehicle Listing

By Vehicle Number

Vehicle #	Year	Make	Model	Color	License #	VIN #	Purch Date	Acq Fuel	Engine	Group	Other
01	2000	FORD	F150 PU	WHITE	L111111	L111111		N	GAS	AUTO	
02 JH	1987	DODGE	1/2 TON	SILVER	723-754	387HF13V3VG825803	12/18/2000	Y	GAS	AUTO	
04 DF	1983	FORD	F-150	GRAY	000			Y	GAS	AUTO	
05	1982	FORD	TRUCK	WHITE	111111	1FTDF15YXNLA5417		Y	GAS	AUTO	
06	1980	FORD	1 TON TK	WHITE	583-171	2FDLF47M9LCA99860		Y	DIESEL	TRUCK	
09 WEBB	1983	MAACK	TRUCK	WHITE	666666	0719		Y	DIESEL	TRUCK	
10 VENTA	1984	MAACK	TRUCK	WHITE	777777	1M2P284CTRM015564		Y	DIESEL	TRUCK	
11		WELDER			0			Y	DIESEL	SUPPORT	
12	1985	BIG TEX	UTLJAY		988989	4K8CX1829S1H01330		Y	GAS	TRAILER	
13	1984	BILLS	FLATLAF		121212	5161		Y	GAS	TRAILER	
14	1975	CAT	D8K	Yellow	13131313	7V22209		Y	DIESEL	HEAVO	
15	1991	CAT	D8H		1212121	4RC4239		Y	DIESEL	HEAVO	
16	1987	CAT	816B COM	Yellow	1212121	15200702		Y	DIESEL	HEAVO	
17	1991	CAT	EL240B	Yellow	1212121	6M300137		Y	DIESEL	HEAVO	
18	2001	CATERPIL	3308 L	YELLOW	EXCAVATSER#	GOR04806		Y	DIESEL	TRAPHOE	
19	1996	CAT	135H MG	Yellow	0	3YK00068		Y	DIESEL	HEAVO	
20	1995	JDEERE	5200	GREEN	1212121			Y	DIESEL	TRACTOR	
21	1998	FORD	5030 4X4	BLUE	TRACTOR077760B			Y	DIESEL	TRACTOR	
22	1998	FINN	HYDROSEE	Cream	222222	D1703 KUBOTA DIESEL		Y	DIESEL	SUPPORT	
23	1993	CAT	828C	YELLOW	1212121			Y	DIESEL	HEAVO	
24	1979	OSHKOSH	M822	TAN	45454545	17482		Y	DIESEL	TRUCK	
25	1979	HEAVY	H60T	GREEN	65656565	538453		Y	DIESEL	TRAILER	
26	1998	TEREX #2	2766C	GREEN	N/A	A7001340-16		Y	DIESEL	TRUCK	

24 Vehicle(s)

EXHIBIT D

EXISTING PERMIT



Texas Department of Health

Robert Bernstein, M.D., F.A.C.P.
Commissioner

1100 West 49th Street
Austin, Texas 78756
(512) 458-7111

A. M. Donnet, Jr., M.D., M.P.H., F.A.C.P.
Deputy Commissioner

Permit No. 1384

Coordinates: N 30° 49.40' W 94° 55.25'

Members of the Board

William J. Foran, Chairman
Lawrence N. Nicky, Vice-Chairman
Roderic M. Bell, Secretary
Johnnie M. Benson
H. Eugene Brown
Sister Bernard Marie Borgmeyer
Ramiro Casso
Charles Max Cole
Francis A. Conley
Ben M. Durr
Raymond G. Garrett
Bob D. Glaze
Blanchard T. Hollins
Robert D. Morston
Joe N. Pyle
Richard W. Ragsdale
Isadore Roosth
Barbara T. Slover

PERMIT FOR A MUNICIPAL SOLID WASTE FACILITY
issued under provisions of Article 4477-7, Vernon's
Texas Civil Statutes, and the Texas Department of Health's
"Municipal Solid Waste Management Regulations"

Permittee

Polk County
Polk County Courthouse
Livingston, Texas 77531

Site Owner

Southland Paper Company
Highway 190 West
Livingston, Texas 77351

Legal Description of Site: The legal description as submitted with the application is hereby made a part of this permit.

Size and Location of Site: The 70.8-acre site is located north of FM Highway 942, 3.0 miles west of the intersection of US 59 and FM 942 in Leggett, Polk County.

Operational Classification of Site: Type I.

Waste Disposal Methods Used at Site: Trench method of disposal with compaction of solid waste and cover with a minimum of six (6) inches of compacted earth not less often than once on each day of operation.

Description of Waste Materials Processed at Site: Solid wastes under the regulatory jurisdiction of the Texas Department of Health, when disposed of or processed in accordance with the Department's "Municipal Solid Waste Management Regulations".


Findings of Fact and Conclusions of Law: Attached hereto and made a part hereof.

Standard Provision: Acceptance of this permit constitutes an acknowledgement that the permittee will comply with all of the terms, provisions, conditions, limitations, and other restrictions embodied in this permit; with the "Municipal Solid Waste Management Regulations" of the Texas Department of Health and with the pertinent laws of the State of Texas.

Special Provisions: See Attachment - "Special Provisions for Municipal Solid Waste Permit No. 1384."

This permit will be valid until cancelled or revoked by the Commissioner of Health of the Texas Department of Health or until the site is completely filled and rendered unusable, whichever occurs first.

Given under my Hand and Seal of Office at Austin, Texas on the 12th day of January, 1981.


Robert Bernstein, M.D., F.A.C.P.
Commissioner of Health

SPECIAL PROVISIONS FOR MUNICIPAL SOLID WASTE PERMIT NO. 1384

- A. Property Rights: It is the responsibility of the herein-named permittee to possess or acquire a sufficient interest in or right to the use of the property herein described for the purposes for which this permit is issued. The granting of this permit does not convey any property rights or interest in either real or personal property, nor does it authorize any injury to private property or invasion of personal rights, nor any infringement of Federal, State or local laws or regulations outside the scope of the authority under which this permit is issued.
- B. Surface Water Protection: Rainfall runoff within the landfill trenches or area that has become contaminated by solid waste shall not be discharged from the site unless authorized by the Texas Department of Water Resources.
- C. Groundwater Protection: Inasmuch as data submitted with the application indicates some natural subsoils in this site do not meet the permeability requirements of the Department's "Municipal Solid Waste Management Regulations," the permittee shall provide such man-made lining as may be necessary. Within 90 days after the date of issuance of this permit, the permittee shall submit to the Department a written soils quality control program which outlines the test procedures, frequency of professional evaluations, and methods for lining to be followed to assure continuous compliance with the aforesaid regulations. The soils quality control program shall be keyed to the site development plan for area or trench identification. In accepting this permit, the permittee agrees to follow the soils quality control program submitted unless deviation is authorized by the Department in writing.
- D. Odor and Air Pollution Control:
1. Any ponded water at the site must not become a source of obnoxious odors.
 2. All applicable Texas Air Control Board regulations concerning air pollution control shall be observed.
- E. Site Development and Operation: Site development and operation shall be in accordance with the site plans and procedures submitted with the permit application and in accordance with the Department's "Municipal Solid Waste Management Regulations." Any significant deviation from such plans and procedures must have prior approval by the Department.
- F. Site Closing: Site completion and closure procedures shall be in accordance with the Department's "Municipal Solid Waste Management Regulations."
- G. Surety Bond: Not required.

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Polk County
Permit No. 1384
Page 3

LEGAL DESCRIPTION OF TRACT
OF LAND FOR USE BY
POLK COUNTY
AS A SOLID WASTE DISPOSAL SITE

STATE OF TEXAS

COUNTY OF POLK

Field notes of a 70.8 acre tract of land located in the William Johns Survey, Abstract 39, being a portion of that certain 571.63 acre tract conveyed to Southland Paper Mills, Inc., by Texas Long Leaf Lumber Company, dated January 31, 1953, of record in Volume 158, Page 3, Deed Records of Polk County, Texas. The said 70.8 acres being described as follows:

BEGINNING at the Northeast corner of the said 571.63 acre tract;

THENCE: S 0° 19' 14" E, 1980.52 feet to the North right-of-way line of Farm to Market Highway 942;

THENCE: Northwesterly with the North right-of-way line of said Farm to Market Highway to the East right-of-way line of a graded road;

THENCE: N 01° 13' 00" E, 492.93 feet with the East right-of-way of the graded road to the North boundary line of the 571.63 acre tract;

THENCE: N 89° 27' 00" E, 2993.45 feet with the North boundary line of said tract to the PLACE OF BEGINNING and containing 70.8 acres of land more or less.

cc: Polk County Health Officer

FINDINGS OF FACT

- (1) An application for a permit to operate a municipal solid waste landfill, along with all necessary supporting data, was properly submitted by the applicant; due notice was given; and a public hearing was held at Commissioners Courtroom in Livingston, Texas on November 13, 1980; and all parties were given an opportunity to appear, be represented by counsel, and present testimony or other evidence either for or against the granting of a permit.
- (2) The physical conditions existing at the subject site, along with the recommended special provisions transmitted herewith, render the site suitable for use as a landfill.
- (3) Use of the subject site as a Type I municipal solid waste landfill is compatible with the present uses being made of the surrounding land.

CONCLUSIONS OF LAW

- (1) All procedural requirements relative to notice, hearing and due process of law were met.
- (2) The subject site, if operated in compliance with the Solid Waste Disposal Act (Article 4477-7, V.A.C.S.), the Texas Department of Health Municipal Solid Waste Management Regulations and the Special Provisions which accompany the permit transmitted herewith, will not adversely affect the public health or create a public nuisance.
- (3) Operation of a Type I municipal solid waste landfill is a proper land use of the property described in the attached permit.

TEXAS NATURAL RESOURCE CONSERVATION COMMISSION



MODIFICATION TO
MUNICIPAL SOLID WASTE PERMIT N° MSW-1384
POLK COUNTY LANDFILL

Municipal Solid Waste Permit No. MSW-1384 is hereby modified as follows:

Description of Change: Revisions to the Landfill Gas Remediation Plan to allow landfill gas assessment and remediation activities, including the installation of monitoring probes and landfill gas vents. Monthly monitoring of noncompliant landfill gas perimeter monitoring probes shall be performed beginning with any noncompliant landfill gas levels detected during any monitoring event. Monthly monitoring shall continue up to and including the six month monitoring period indicated in the Landfill Gas Remediation Plan, dated November 22, 1999, to evaluate the effectiveness of the passive vent system. The request for the permit modification, prepared by Mr. A. W. Kessler, P.E., Kestech, was received by the Texas Natural Resource Conservation Commission on November 24, 1999.

List of Items Revised in Attachment A (Site Development Plan): Attachment 14 *Landfill Gas Management Plan*

This modification is a part of Permit No. MSW-1384 and should be attached thereto.

APPROVED, ISSUED, AND EFFECTIVE in accordance with 30 Texas Administrative Code Section 305.70(g)(14).

ISSUED DATE:
DEC 27 1999

Jeff

A handwritten signature in black ink, appearing to read "Jeff Kessler".

For the Commission



TEXAS NATURAL RESOURCE CONSERVATION COMMISSION

Protecting Texas by Reducing and Preventing Pollution

August 10, 2001

The Honorable John P. Thompson
County Judge, Polk County
Polk County Courthouse
Livingston, TX 77351

**Re: Municipal Solid Waste - Polk County
Polk County Landfill - MSW Permit No. 1384
Class I Permit Modification
MTN: 7383**

Dear Judge Thompson:

Enclosed is a copy of the above referenced permit modification for a municipal solid waste (MSW) facility issued pursuant to Chapter 361, Texas Health & Safety Code. The documentation, including the application, prepared and submitted to support the modification request shall be considered a part of this permit and shall be considered as operational requirements of this permit.

If you have any questions concerning this letter or if we may be of any assistance to you regarding municipal solid waste, you may contact Ms. Sarah Kruse, at MC-124, P.O. Box 13087, Austin, Texas 78711; telephone number (512) 239-0456.

Sincerely,

A handwritten signature in black ink, appearing to read "Jerry D. Allred".

Mr. Jerry D. Allred, Section Manager
MSW Permits Section
Waste Permits Division

JDA/sek

Enclosure

cc: ✓ Mr. James K. Richardson, Polk County Solid Waste Administrator
Hydrex Environmental, Inc.

EXHIBIT E

GAS REMEDIATION PLAN

TEXAS NATURAL RESOURCE CONSERVATION COMMISSION



MODIFICATION TO
MUNICIPAL SOLID WASTE PERMIT N^o MSW- 1384
POLK COUNTY LANDFILL

Municipal Solid Waste Permit No. MSW- 1384 is hereby modified as follows:

Description of Change:

Upgrade portions of the existing passive landfill gas venting system to an active venting and flare system in the area of GMP-3. A separate flare system will be installed in the area of GMP-7, due to the distance and terrain between GMP-3 and GMP-7. A methane interceptor trench will be installed in the area of GMP-8. A six month monitoring period will be conducted to evaluate remediation actions. The permit modification request, dated July 18, 2001, was prepared by Mr. Glen A. Collier, C.P.G. of Hydrex Environmental, Inc. and Mr. A. Wayne Kessler, P.E., of Kestech Engineering and received by the Texas Natural Resource Conservation Commission on July 20, 2001.

List of Items Revised in Attachment A (Site Development Plan):
Attachment 14 - Landfill Gas Management Plan

This modification is a part of Permit No. MSW- 1384 and should be attached thereto.

APPROVED, ISSUED, AND EFFECTIVE in accordance with 30 Texas Administrative Code (TAC) Section (8)305.70(g)(14).

ISSUED DATE:

AUG 09 2001

A handwritten signature in black ink, appearing to read "Jeffrey A. Smith", written over a horizontal line.

For the Commission

 *** LINKON TX REPORT ***

TX FINCTION WAS NOT COMPLETED

TX/XX NO 0907
 CONNECTION TEL 12018806806p8434
 SUB-ADDRESS
 CONNECTION ID
 ST. TIME 10/12 14:54
 USACK T 00'00
 PGS. 0
 RESULT NG
 0 #018

Exemption Registration for the flare. Construction of the active extraction systems will begin within forty-five (45) days of notice of registration of the flare. The following is a brief and tentative summary of the proposed schedule. The schedule may be changed by conditions beyond our control, such as inclement weather. The TNRCC will be kept informed as to the project's progress.

Date	Item
On or Before September 1, 2001	<ul style="list-style-type: none"> Begin construction of interceptor trench near GMP-8 Collect landfill gas sample(s) from GMP-3 and GMP-7 and submit for analysis
On or Before September 15, 2001	<ul style="list-style-type: none"> Complete construction of interceptor trench near GMP-8 and begin evaluation period
On or Before October 15, 2001 (or within 30 days following receipt of laboratory report)	<ul style="list-style-type: none"> Submit application for Standard Exemption Registration and Form PI-7 form to Office of Air Quality
On or Before December 1, 2001 (or within 45 days of receipt of notice of registration from Office of Air Quality)	<ul style="list-style-type: none"> Begin construction of Active Extraction System
On or Before January 15, 2002 (or within 45 days of beginning construction of active extraction system)	<ul style="list-style-type: none"> Complete Construction of Active Extraction System
On or Before February 15, 2002 (or within 30 days of completion of active system construction)	<ul style="list-style-type: none"> Complete adjustments to the active extraction system and begin evaluation period

One original and two copies of the permit modification request are enclosed. A signed Applicant Certification is attached. A copy of this submittal was placed in the site operating record. Your office will be provided copies of all pertinent documents as they are submitted.

EXHIBIT F

LANDFILL EXPANSION

2302

97-1047-994

SPECIAL WARRANTY DEED

THE STATE OF TEXAS §
 § **KNOW ALL MEN BY THESE PRESENTS:**
COUNTY OF POLK §

That CHAMPION INTERNATIONAL CORPORATION, a New York corporation duly authorized to do business in the State of Texas, successor in interest to St. Regis Corporation (hereinafter called "Grantor"), for and in consideration of the sum of One and No/100 (\$1.00) Dollar to it in hand paid by COUNTY OF POLK, Texas, whose mailing address in Courthouse, Livingston, Texas 77351 (hereinafter called "Grantee"), the receipt of which is hereby acknowledged, has GRANTED, SOLD and CONVEYED, and by these presents does GRANT, SELL AND CONVEY unto the Grantee, the following property situated in Polk County, Texas, to-wit:

BEING a tract of land containing 220.000 acres, more or less, located in the WM. JOHNS SURVEY, Abstract No. 39, Polk County, Texas, and being more particularly described by metes and bounds in EXHIBIT "A" attached hereto and made a part hereof for all legal purposes.

This conveyance is made subject (a) to all restrictions, easements, conditions, covenants and conveyances and/or exceptions of minerals or royalty, if any, of record in the Office of the County Clerk of Polk County, Texas, affecting the above-described property; and (b) to any matter or state of fact discoverable by inspection or by an accurate survey of the said property.

Furthermore, Grantor hereby reserves unto itself, its successors and assigns, all of the oil, gas and other minerals, in, under and that may be produced from the above-described land, together with the right of ingress and egress therein and thereon for the purposes of exploring for, mining and producing the same, except by strip mining or open pit mining methods, which are hereby expressly waived.

This conveyance is further made and accepted subject to "roll back" taxes, if any, later imposed on the subject property under Section 23.76 of the Property Code of the State of Texas. Grantor will have no liability therefor.

This conveyance is further made and accepted subject to the following: Grantee previously leased a portion of the Property for use as a landfill. Grantee accepts the property AS IS in its present condition and based solely upon Grantee's own inspection and determination as to value and condition and not based upon any express or implied representation or warranty by Grantor. Grantee and its authorized consultants have had the opportunity to examine the Property and have performed such examination as Grantee

97-1047-996

STATE OF CONNECTICUT §

COUNTY OF FAIRFIELD §

BEFORE ME, the undersigned authority, on this day personally appeared ROBERT P. LOFTUS, VICE PRESIDENT of CHAMPION INTERNATIONAL CORPORATION, known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he executed the same for the purposes and consideration therein expressed, in the capacity therein stated and as the act and deed of said corporation.

GIVEN UNDER MY HAND AND SEAL OF OFFICE on this the 13th day of March, 1997.

Patricia A. Matz
NOTARY PUBLIC in and for the
State of Connecticut

MY COMMISSION EXPIRES:
4/30/98



97-1047-997

**DESCRIPTION OF
220.000 ACRES OF LAND
OUT OF THE
WM. JOHNS SURVEY ABSTRACT NO. 39
POLK COUNTY, TEXAS**

BEING 220.000 acres of land located in the WM. JOHNS SURVEY, ABSTRACT NO. 39 in Polk County, Texas and being part of the 1041.20 acre tract of land described as Tract 116 in the deed from Texas Long Leaf Lumber Company to Southland Paper Mills, Inc., dated January 31, 1953 and recorded in Volume 158 page 3 of the Deed Records of Polk County, Texas. Said 220.000 acre tract being more particularly described by metes and bounds as follows to-wit:

BEGINNING at the Northeast corner of the herein described 220.000 acre tract in the South right of way of F. M. Highway No. 942 (said right of way described in the easement from Southland Paper Mills, Inc. to the State of Texas, dated May 1, 1959, no recording information available), a 5/8" galvanized timber bolt stamped P-1747XA set for corner witnessed by an 8" Pine South 04° 54' West 20.00 feet, a 9" Pine South 21° 04' West 26.45 feet, and an 11" Pine South 39° 54' East 42.65 feet, and from said corner a 1/2" steel reinforcing rod found for the Southeast corner of a 70.769 acre tract of land described in the deed from Champion International Corporation to the County of Polk, dated March 23, 1987 and recorded in Volume page of the Official Records of said county, bears South 59° 32' 31" East 1263.67 feet;

THENCE South 32° 41' 54" West with the East boundary line of the said 220.000 acre tract, at 403.39 feet an angle corner of the said 220.000 acre tract, a 5/8" galvanized timber bolt stamped P-1747XB set for corner witnessed by a 7" Pine North 80° 19' East 32.25 feet, a 6" Pine South 73° 18' East 42.58 feet, and a 10" Pine South 59° 35' East 39.89 feet;

THENCE South 27° 06' 06" East with the East boundary line of the said 220.000 acre tract, at 816.36 feet an angle corner of the said 220.000 acre tract, a 5/8" galvanized timber bolt stamped P-1747XC set for corner witnessed by a 9" Pine North 46° 56' East 23.24 feet, a 7" Pine South 47° 27' East 50.85 feet, and a 4" Sweet Gum South 24° 19' East 46.25 feet;

THENCE South 18° 09' 23" West with the East boundary line of the said 220.000 acre tract, at 1805.05 feet the Southeast corner of the said 220.000 acre tract, a 5/8" galvanized timber bolt stamped P-1747XD set for corner witnessed by a 13" Pine South 72° 07' East 26.06 feet, an 11" Pine South 23° 25' East 23.40 feet, and a 12" Pine South 12° 07' East 25.39 feet;

THENCE South 88° 59' 04" West with the South boundary line of the said 220.000 acre tract, at 3603.99 feet the Southwest corner of the said 220.000 acre tract, a 5/8" galvanized timber bolt stamped P-1747XF set for corner witnessed by a 12" White Oak South 67° 34' East 7.85 feet, a 7" Maple South 66° 42' West 11.67 feet, and a 5" Holly North 43° 41' West 17.48 feet;

THENCE North 01° 06' 41" West with the West boundary line of the said 220.000 acre tract, at 2122.12 feet the Northwest corner of

97-1047-998

THENCE with the South right of way of the said highway with a 05° 42' 05" curve to the left (said curve having a central angle of 22° 07' 58", a radius of 1004.93 feet and a long chord of North 75° 59' 10" East 385.78 feet), at 388.19 feet the P. T. of the said curve, a 3/8" steel reinforcing rod set for corner;

THENCE North 64° 55' 11" East with the South right of way of the said highway, at 431.65 feet an angle corner in the said right of way, a 3/8" steel reinforcing rod set for corner;

THENCE North 64° 05' 55" East with the South right of way of the said highway, at 754.12 feet the P. C. of a 04° 08' 41" curve to the right, a 3/8" steel reinforcing rod set for corner;

THENCE with the South right of way of the said highway and with the said curve (having a central angle of 32° 32' 41", a radius of 1382.39 feet, and a long chord of North 80° 16' 46" East 770.46 feet), at 780.79 feet the P. T. of the said curve, a 3/8" steel reinforcing rod set for corner, and from said corner a 3" round concrete monument found for the Southwest corner of the said 70.769 acre tract bears North 70° 36' 54" West 308.93 feet;


THENCE South 83° 32' 24" East with the South right of way of the said highway, at 227.02 feet the P. C. of a 03° 04' 50" curve to the right, a 3/8" steel reinforcing rod set for corner;

THENCE with the South right of way of the said highway and with the said curve (having a central angle of 26° 13' 53", a radius of 1859.86 feet, and a long chord of South 70° 25' 27" East 844.07 feet), at 851.49 feet the P. T. of the said curve, a 3/8" steel reinforcing rod set for corner;

THENCE South 57° 18' 30" East with the South right of way of the said highway, at 718.67 feet the point and place of BEGINNING, containing 220.000 acres of land, as shown on the plat prepared by Gary G. Brown, R.P.L.S. No. 4654, dated December 5, 1995.

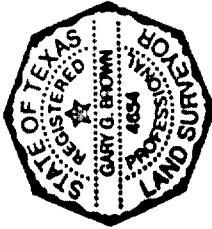
Note: Distances to witness trees are to the center unless otherwise noted.



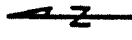


Gary G. Brown
Registered Professional
Land Surveyor No. 4654
Date: 12/5/1995

97-1047-999

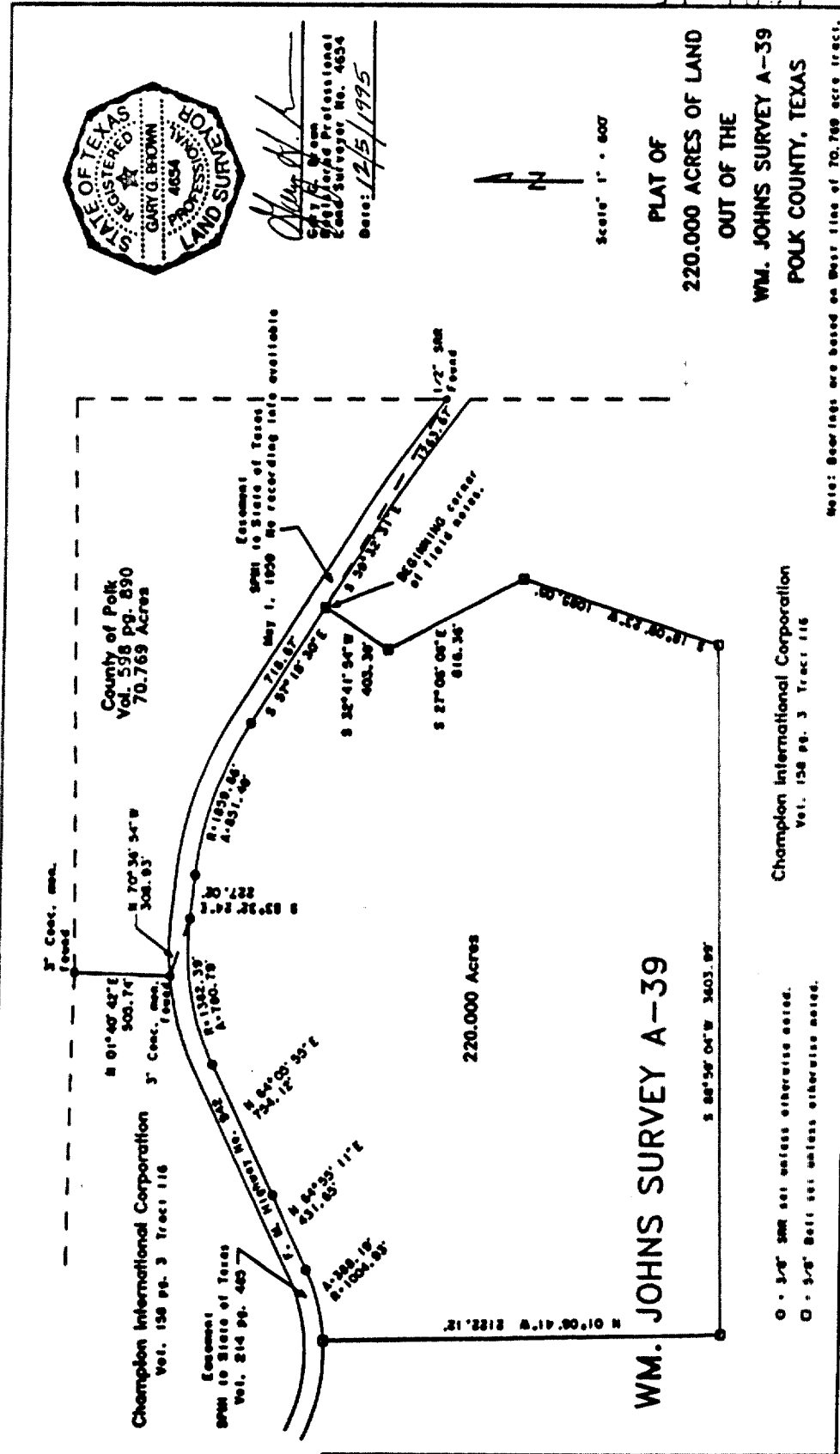


Gary G. Brown
 Gary G. Brown
 Registered Professional
 Land Surveyor No. 4654
 Date: 12/5/1995



Scale 1" = 600'

PLAT OF
 220,000 ACRES OF LAND
 OUT OF THE
 WM. JOHNS SURVEY A-39
 POLK COUNTY, TEXAS



O - 3/4" 300' set unless otherwise noted.
 O - 3/8" 150' set unless otherwise noted.

This conveyance is further made and accepted subject to "roll back" taxes, if any, later imposed on the subject property under Section 23.76 of the Property Code of the State of Texas. Grantor will have no liability therefor.

TO HAVE AND TO HOLD the said premises, together with all and singular the rights, hereditaments and appurtenances thereunto belonging, unto the said Grantee, its successor and assigns, forever. And Grantor does hereby bind itself, its successors and assigns, to Warrant and Forever Defend the title to said property unto the Grantee, its successors and assigns, against every person whomsoever lawfully claiming or to claim the same or any part thereof, by, through and under Grantor but not otherwise.

This instrument is executed by Grantor to effect a voluntary conveyance of the above described property to Grantee in lieu of condemnation proceedings by Grantee to acquire the title and possession thereof and the compensation paid by Grantee to Grantor covers and includes all compensable damages that Grantor could have asserted in proceedings in eminent domain.

EXECUTED this 23rd day of March, 1987.

CHAMPION INTERNATIONAL CORPORATION

By



Executive Vice President




Assistant Secretary

THE STATE OF CONNECTICUT)
)
COUNTY OF FAIRFIELD)

BEFORE ME, the undersigned authority, on this day personally appeared E. T. Edwards, Executive Vice President of CHAMPION INTERNATIONAL CORPORATION, known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he executed the same for the purposes and consideration therein expressed, in the capacity therein stated and as the act and deed of said corporation.

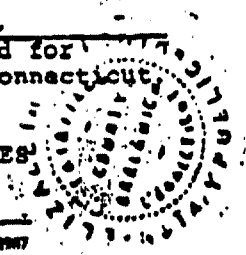
GIVEN UNDER MY HAND AND SEAL OF OFFICE on this the 23rd day of March, 1987.

Elizbeth J. Tchir
NOTARY PUBLIC in and for
Fairfield County, Connecticut

MY COMMISSION EXPIRES

ELIZBETH J. TCHIR

NOTARY PUBLIC
MY COMMISSION EXPIRES MARCH 31, 1987



DESCRIPTION
OF A 70.769 ACRE TRACT
OUT OF THE
WM. JOHNS SURVEY ABSTRACT NO. 39
POLK COUNTY, TEXAS

Being a part of a 1041.20 acre tract out of the WM. JOHNS SURVEY, ABSTRACT NO. 39, Polk County, Texas, described as tract 116 in the deed from Texas Long Leaf Lumber Co. to Southland Paper Mills, Inc., dated January 31, 1953, and recorded in Volume 158, Page 3 of the Deed Records of Polk County, Texas, also being a part of a 571.63 acre tract out of the said JOHNS SURVEY, described as the thirty-second tract (a) in the deed from West Lumber Company to Rock Creek Lumber Company dated December 31, 1926, and recorded in Volume 84, Page 225 of the said Deed Records. The said part being described by metes and bounds as follows to-wit:

BEGINNING at the Northeast corner of the said 571.63 acre tract, same being the Southeast corner of a 100 acre tract decreed to the Thompson-Tucker Lumber Company at June Term 1910, Polk County District Court, a 4" x 4" concrete monument set replacing a pine stake witnessed by a 16" Black Gum South 73 deg. West 61.11 feet, a 8" Post Oak North 56 deg. West 35.28 feet, a 10" Post Oak North 50 deg. 30 min. West 94.44 feet, a 5" Pine North 23 deg. 45 min. East 20.56 feet and a 4" Pine South 24 deg. 15 min. East 15.28 feet;

THENCE South 00 deg. 19 min. 14 sec. East with the East boundary line of the said 571.63 acre tract, at 86.08 feet the Northwest corner of a 244.149 acre tract out of the said JOHNS SURVEY described as tract 21 in the correction deed from Ogletree Lumber Company to St. Regis Paper Company dated December 17, 1977, and recorded in Vol. 341, Page 619 of the said Deed Records, a 3" x 3" concrete monument for corner from which a 15" Pine North 03 deg. 05 min. West 23.52 feet (record bearing tree), a 10" Pine North 66 deg. 50 min. East 11.35 feet (record bearing tree), a 14" Pine South 46 deg. 55 min. East 20.45 feet (record bearing tree) and a 10" Pine South 09 deg. 55 min. West 24.32 feet (record bearing tree), continuing with the East boundary line of the said 571.63 acre tract and the West boundary line of the said 244.149 acre tract, at 1181.04 feet the Southwest corner of the said 244.149 acre tract, a 3" x 3" concrete monument for corner witnessed by a 6" Post Oak North 24 deg. 06 min. East 16.63 feet (record bearing tree), a 5" Black Gum North 82 deg. 19 min. East 17.54 feet (record bearing tree), a 6" Pine South 35 deg. 17 min. East 16.33 feet (record bearing tree) and a 11" Post Oak North 59 deg. 46 min. West 4.52 feet (record bearing tree), continuing with the East boundary line of the said 571.63 acre tract, at 1973.71 feet intersect the North right-of-way line of Farm-to-Market 942, an iron rod set for corner;

THENCE North 52 deg. 28 min. 30 sec. West with the said right-of-way, at 479.33 feet the Point of Curve of a 1 deg. 57 min. 56 sec. Degree Curve to the left, an iron rod set for corner;

THENCE continuing with the said right-of-way and the said 1 deg. 57 min. 56 sec. Degree Curve, having a Central Angle of 4 deg. 50 min. 00 sec. and a Long Chord of North 54 deg. 53 min. 30 sec. West 245.81 feet, at 245.88 feet the Point of Tangent of the said 1 deg. 57 min. 56 sec. Degree Curve, an iron rod set for corner;

THENCE North 57 deg. 18 min. 30 sec. West with the said right-of-way, at 1258.16 feet the Point of Curve of a 2 deg. 55 min. 24 sec. Degree Curve to the left, an iron rod set for corner;

THENCE continuing with the said right-of-way and the said 2 deg. 55 min. 24 sec. Degree Curve, having a Central Angle of 26 deg. 13 min. 53 sec. and a Long Chord of North 70 deg. 25 min. 27 sec. West 889.46 feet, at 897.27 feet the Point of Tangent of the said 2 deg. 55 min. 24 sec. Degree Curve, an iron rod set for corner;

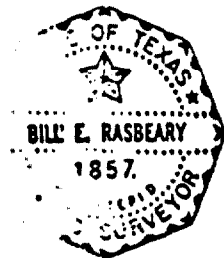
THENCE North 83 deg. 32 min. 24 sec. West with the said right-of-way, at 227.02 feet the Point of Curve of a 3 deg. 51 min. 54 sec. Degree Curve to the left, an iron rod set for corner;

THENCE continuing with the said right-of-way and the said 3 deg. 51 min. 54 sec. Degree Curve, having a Central Angle of 11 deg. 43 min. 09 sec. and a Long Chord of North 89 deg. 23 min. 58 sec. West 302.68 feet, at 303.21 feet, the Southwest corner of the herein described tract in the East margin of a graded road, a 3" round concrete monument buried 6" witnessed by a 7" Pine North 89 deg. 59 min. West 52.15 feet to the center, a 9" Pine North 72 deg. 57 min. West 50.10 feet to the center and a 6" Pine North 61 deg. 11 min. West 41.00 feet to the center;

THENCE North 01 deg. 40 min. 42 sec. East with the West line of the herein described tract and the East margin of the said graded road, at 505.74 feet the Northwest corner of the herein described tract, in the North boundary line of the said 571.63 acre tract, a 3" round concrete monument witnessed by a 11" Pine North 62 deg. 43 min. West 41.10 feet to the center, a 14" Pine South 68 deg. 27 min. East 9.10 feet to the center and a 11" Pine North 86 deg. 55 min. West 38.00 feet to the center;

THENCE North 89 deg. 27 min. 06 sec. East with the North boundary line of the said 571.63 acre tract, at 2980.67 feet the point and place of beginning and containing 70.769 acres of land more or less.

Note: All trees tied in to the face except where stated otherwise.



Bill E. Rasbeary

Bill E. Rasbeary
Registered Public Surveyor

Date: 12/11/86

EXHIBIT "A" PAGE 2 OF 2

STATE OF TEXAS }
COUNTY OF POLK }

I, MARTHA JOHNSON, hereby certify that this instrument was FILED in the file number sequence on the date and at the time stamped hereon by me; and was duly RECORDED in the Official Public Records in volume and page of the named RECORDS of Polk County, Texas as stamped hereon by me on

APR 14 1987



Martha Johnson

COUNTY CLERK
POLK COUNTY, TEXAS

FILED FOR RECORD

1987 APR 14 PH 4:33

MARTHA JOHNSON, COUNTY CLERK
POLK COUNTY, TEXAS

BY *Martha Johnson*

SPECIAL WARRANTY DEED

GRANTOR: NATIONSBANK OF TEXAS, N.A., Trustee,
under the Agreements for PATRICIA DAVIS BECK, and as agent for WIRT DAVIS II

CATHERINE B. TAYLOR, individually;

SARAH B. HRDY, individually;

CAMILLA R. BLAFFER (also known as CAMILLA B. MALLARD), individually;

DANIEL B. HRDY, individually;

NICHOLAS C. TAYLOR, individually;

JOAN B. JOHNSON, individually;

HIRAM WALKER ROYALL; individually;

HENRY C. BECK, JR. and WIRT DAVIS II, as Co-Trustees of the KALITA HARDIN BECK TRUST, the HENRY CONSTABLE BECK III Trust, the PATRICIA HARDIN BECK Trust, and the SPINDRIFT CONSTABLE BECK AL SWAIDI Trust;

GORDON A. LOWTHER and JAMES W. ROBERTSON, as Co-Trustees under Article IV C of the Last Will and Testament of CAMILLA D. TRAMMELL, deceased, for the JOAN B. JOHNSON trust, the SARAH B. HRDY Trust, and the CAMILLA B. MALLARD Trust;

GORDON A. LOWTHER and REEDA J. BROWN, as Co-Trustees for the CATHERINE B. TAYLOR Trust;

WIRT DAVIS II, HANNAH DAVIS CUTSHALL and HELEN BUCHANNAN DAVIS, as Co-Trustees for the HANNAH DAVIS CUTSHALL Trust and the HELEN BUCHANNAN DAVIS Trust; and,

NICHOLAS C. TAYLOR as Custodian under the Texas Uniform Gifts to Minors Act for: JOHN BLAFFER ROYALL, CATHERINE BELKNAP HRDY, CAMILLA ALEXANDRA HRDY, NICHOLAS HARDIN HRDY, NICHOLAS VAN CAMPEN TAYLOR, KATHERINE CAMILLA TAYLOR, CHRISTIE HARDIN TAYLOR, WIRT DAVIS JOHNSON, SETH CARMICHAEL BLAFFER JOHNSON, and KALETA HARDIN JOHNSON

GRANTEE: POLK COUNTY, a political subdivision of the State of Texas

GRANTEE'S MAILING ADDRESS (including County):

Polk County Courthouse
Livingston, Texas 77351 (Polk County, Texas)

CONSIDERATION:

The sum of TEN AND NO/100 DOLLARS (\$10.00) and other good and valuable consideration to Grantor paid by Grantee, the receipt and sufficiency of which is hereby acknowledged and confessed, and for which no lien is retained, whether express or implied.

PROPERTY:

Being a 3.420 acres portion of a 100 acres tract out of the W. M. Johns Survey, A-39, in Polk County, Texas, said 100 acres tract being decreed to the Thompson-Tucker Lumber Company at a June, 1910, term of the Polk County District Court, and being the Wirt Davis 100 acres tract, said portion being a 50 feet (50') wide tract of land more particularly described as follows:

BEGINNING at a 4"x4" concrete monument found for the southeast corner of said 100 acres tract, same being the northeast corner of the Polk County 70.769 acres tract described in that certain document recorded in Volume 598, Page 893, of the Real Property Records of Polk County, Texas, also being the northeast corner of the 571.63 acres tract described in that certain document recorded in Volume

158, Page 3, of the Polk County Deed Records, and being the southeast corner of the herein described tract;

THENCE north 00 deg. 19 min. 14 sec. west, with the east line of this tract, 50 feet, to a point for corner;

THENCE south 89 deg. 27 min. 06 sec. west, 2,979.01 feet, along a line parallel with the north line of the Polk County 70.769 acres tract to a point for corner;

THENCE south 01 deg. 40 min. 42 sec. west, 50.00 feet, to a 3" diameter concrete monument found for the northwest corner of the said Polk County 70.769 acres tract, also being the northwest corner of the said 571.63 acres tract, and being the southwest corner of the herein described tract;

THENCE south 89 deg. 27 min. 06 sec. east, 2,980.67 feet, along the north line of said 70.769 acres tract and 571.63 acres tract to the place of beginning and containing 3.420 acres of land, more or less (same being a 50 feet wide tract being north of, and parallel to, the north line of the Polk County 70.769 acres tract).

RESERVATIONS FROM AND EXCEPTIONS TO CONVEYANCE AND WARRANTY:

For Grantor, and the successors, heirs and assigns of Grantor, a reservation of all oil, gas and other non-surface minerals owned by Grantor in, under or that may be produced from the Property, together with the usual and customary rights of ingress and egress there-to for the purpose of exploring for, drilling for, producing, storing and removing the same. However, such reservation by Grantor shall not include, and the term "other minerals" shall not be construed to include, any lignite, coal, rock, sand, iron ore, gravel or any type of mineral that must be removed by surface or open-pit mining methods, or which would constitute any portion of the surface estate of the Property.

There is further excepted from this conveyance and reserved unto Grantor, and the successors, heirs and assigns of Grantor, for a period of time terminating at 11:59 o'clock p.m., Livingston, Texas time, on October 31, 1995, all timber of every kind or character now located on the Property. The following provisions shall apply to such reservation of timber (the "Timber Reservation"):

- (a) Grantor and Grantor's successors, heirs and assigns shall have, and do hereby retain full easements and rights of way by foot, vehicular or animal traffic for ingress and egress into, upon, over and across the Property in such manner and with such means as may be convenient and/or necessary for the purposes of cutting, felling and removing said timber, such rights to terminate on the date of the termination of the Timber Reservation.
- (b) Grantor may cause such timber to be cut, felled and removed by Grantor's agents, servants, employees and/or independent contractors.
- (c) The reservation of timber and the related rights thereto shall remain in full force and effect for a period of time ending at 11:59 p.m., Livingston, Texas, time, on October 31, 1995, and shall terminate automatically at the end of such period.
- (d) Grantor and the successors, heirs and assigns of Grantor shall have the right to utilize and move equipment thereon for the purposes of cutting and removing said timber.

- (e) In the event of any interference or threatened interference with the timber or the rights herein reserved and provided for, such rights may be enforced by restraining orders and injunctions (temporary or permanent) prohibiting such interference and commanding compliance with the provisions hereof, which restraining orders and injunctions shall be obtainable upon proof of the existence of such interference or threatened interference, and without the necessity of proof of inadequacy of legal remedies or irreparable harm, and shall be obtainable by one or more persons that are a party to this deed or that are benefited hereby; provided, however, nothing herein shall be deemed to be an election of remedies or a waiver of any other rights or remedies available at law or in equity.
- (f) The terms and provisions hereof relating to the Timber Reservation shall be binding upon and inure to the benefit of all parties named in this deed and their respective successors, heirs and assigns and shall constitute covenants running with the Property.

This conveyance is also made by Grantor and accepted by Grantee expressly subject to the following matters, but only to the extent that they are valid and still in force and effect against the Property, to-wit:

- (1) All easements, rights-of-way and prescriptive rights, whether of record or not, pertaining to any portion of the Property;
- (2) All presently recorded and valid oil, gas and/or other mineral exceptions, rights of development or leases, royalty reservations and/or other instruments constituting oil, gas or other mineral interest severances, conveyances, leases and/or hypothecations of any kind;
- (3) All presently recorded instruments (other than encumbrances and conveyances by, through or under Grantor) that affect the Property;
- (4) Taxes and assessments for the year 1995, and subsequent years, the payment of which Grantee assumes; and subsequent assessments for this and prior years due to changes in land usage, ownership, or both, the payment of which Grantee assumes;
- (5) Any ordinances, statutes or regulations promulgated by the County of Polk, or any other agency or political subdivision of the State of Texas or the United States Government; and,
- (6) Any conditions that would be revealed by a physical inspection and/or survey of the Property.

GRANT:

Grantor, for the Consideration and subject to the Reservations From and Exceptions to Conveyance and Warranty set forth above, hereby grants, sells and conveys to Grantee the Property, together with all and singular the rights and appurtenances thereto in any wise belonging; to have and hold the Property to Grantee, and Grantee's heirs, executors, administrators and assigns, forever. Grantor hereby binds Grantor, and Grantor's heirs, personal representatives and successors, to warrant and forever defend all and singular the Property to Grantee, and Grantee's heirs, executors, administrators and assigns, against every person whomsoever lawfully claiming or to claim the same or any part thereof, by, through or under Grantor, but not otherwise, and except as to the (i) Reservations From and Exceptions to Conveyance and Warranty and (ii) other matters set forth in this deed.

GENERAL PROVISIONS:

Grantee acknowledges to Grantor that Grantee understands that (i) Grantor does not represent to Grantee that the Property has access to or from any easement and/or road, and (ii) Grantor has executed and delivered this deed, and Grantee has received and accepted this deed and the Property AS IS, WHERE IS, AND WITH ALL FAULTS, AND WITHOUT ANY REPRESENTATIONS OR WARRANTIES WHATSOEVER, EXPRESS OR IMPLIED, WRITTEN OR ORAL, EXCEPT SOLELY THE LIMITED WARRANTY OF TITLE EXPRESSLY SET FORTH HEREIN; IT BEING THE INTENTION OF GRANTOR AND GRANTEE TO EXPRESSLY REVOKE, RELEASE, NEGATE AND EXCLUDE ALL REPRESENTATIONS AND WARRANTIES, INCLUDING, BUT NOT LIMITED TO, ANY AND ALL EXPRESS OR IMPLIED REPRESENTATIONS AND WARRANTIES AS TO (i) THE CONDITION OF THE PROPERTY OR ANY ASPECT THEREOF, INCLUDING, WITHOUT LIMITATION, ANY AND ALL EXPRESS OR IMPLIED REPRESENTATIONS AND WARRANTIES RELATED TO MERCHANTABILITY OR FITNESS FOR A PARTICULAR USE OR PURPOSE; (ii) THE SOIL CONDITIONS, DRAINAGE, TOPOGRAPHICAL FEATURES, OR OTHER CONDITIONS OF THE PROPERTY OR WHICH AFFECT THE PROPERTY; (iii) ANY FEATURES OR CONDITIONS AT OR WHICH AFFECT THE PROPERTY WITH RESPECT TO ANY PARTICULAR PURPOSE, USE, DEVELOPMENT POTENTIAL, OR OTHERWISE; (iv) THE AREA, SIZE, SHAPE, CONFIGURATION, LOCATION, CAPACITY, QUANTITY, QUALITY, VALUE, CONDITION, OR AMOUNT OF THE PROPERTY; (v) ALL EXPRESS OR IMPLIED REPRESENTATIONS OR WARRANTIES CREATED BY ANY AFFIRMATION OF FACT OR PROMISE OR BY ANY DESCRIPTION OF THE PROPERTY; (vi) ANY ENVIRONMENTAL, GEOLOGICAL, OR OTHER CONDITION OR HAZARD OR THE ABSENCE THEREOF HERETOFORE, NOW, OR HEREAFTER AFFECTING IN ANY MANNER ANY PART OF THE PROPERTY; AND (vii) ALL OTHER EXPRESS OR IMPLIED WARRANTIES AND REPRESENTATIONS BY GRANTOR WHATSOEVER, EXCEPT SOLELY THE LIMITED WARRANTY OF TITLE EXPRESSLY SET FORTH HEREIN.

As used herein, the masculine gender shall include the feminine and neuter; and the singular and plural number shall include the other unless otherwise expressly provided.

NATIONSBANK OF TEXAS, N.A. is acting solely in its capacity as Trustee and agent and not otherwise, and on the condition that NATIONSBANK OF TEXAS, N.A., shall not have any liability in its corporate capacity on any agreement or warranty contained herein or arising hereunder.

PATRICIA DAVIS BECK joins in the execution hereof to acknowledge and affirm that the herein described trusts relating to her are still in force and effect and for all other lawful purposes.

THIS deed may be executed in multiple counterparts, all of which taken together shall constitute a single agreement with the same force and effect as if all parties had signed the same document.

THIS deed shall not be binding or effective on any party until executed and acknowledged by each Grantor listed herein.

EXECUTED on the respective dates of execution of the parties as set forth below.

NATIONSBANK OF TEXAS, N.A., Trustee and Agent

Date of Execution

By: _____
J. M. CHASTAIN, Vice President and
Trust Officer

Date of Execution

WIRT DAVIS, II

Date of Execution

PATRICIA DAVIS BECK

Date of Execution

CAMILLA R. BLAFFER (formerly known as Camilla
B. Mallard) by GORDON W. LOWTHER as her Attor-
ney-In-Fact

Date of Execution

SARAH B. HRDY, DANIEL B. HRDY, JOAN B. JOHN-
SON, and HIRAM WALKER ROYALL by CHARLES R.
FRANKLIN as their Attorney-In-Fact

4-17-95

Date of Execution

Nicholas Taylor

NICHOLAS C. TAYLOR, individually

4-18-95

Date of Execution

Catherine B. Taylor

CATHERINE B. TAYLOR, individually

CO-TRUSTEES for the Kalita Hardin Beck Trust,
the Henry Constable Beck III Trust, the Patri-
cia Hardin Beck Trust, and the Spindrift
Constable Beck Al Swaidi Trust

Date of Execution

HENRY C. BECK, JR., Co-Trustee

Date of Execution

WIRT DAVIS II, Co-Trustee

CO-TRUSTEES for the Joan B. Johnson Trust, the
Sarah B. Hardy Trust, and the Camilla B. Mal-
lard Trust

Date of Execution

GORDON A. LOWTHER, Co-Trustee

Date of Execution

JAMES W. ROBERTSON, Co-Trustee

CO-TRUSTEES for the Catherine B. Taylor Trust

Date of Execution

GORDON A. LOWTHER, Co-Trustee

Date of Execution

REEDA J. BROWN, Co-Trustee

CO-TRUSTEES for the Hannah Davis Cutshall Trust and the Helen Buchanan Davis Trust

Date of Execution

WIRT DAVIS II, Co-Trustee

Date of Execution

HANNAH DAVIS CUTSHALL, Co-Trustee

Date of Execution

HELEN BUCHANAN DAVIS, Co-Trustee

4-17-95

Date of Execution

Nicholas Taylor

NICHOLAS C. TAYLOR as the Custodian under the Texas Uniform Gifts to Minors Act for: John Blaffer Royall, Catherine Belknap Hrdy, Camilla Alexandra Hrdy, Nicholas Hardin Hrdy, Nicholas Van Campen Taylor, Katherine Camilla Taylor, Christie Hardin Taylor, Wirt Davis Johnson, Seth Carmichael Blaffer Johnson, and Kaleta Hardin Johnson

THE STATE OF TEXAS

COUNTY OF DALLAS

This instrument was acknowledged before me on the ____ day of _____, 1995, by J. M. CHASTAIN, Vice-President and Trust Officer of NationsBank of Texas, N.A., Trustee under the Agreements for Patricia Davis Beck, and as Agent for Wirt Davis II.

Notary Public, State of Texas

THE STATE OF TEXAS

COUNTY OF DALLAS

This instrument was acknowledged before me on the ____ day of _____, 1995, by PATRICIA DAVIS BECK.

Notary Public, State of Texas

THE STATE OF TEXAS

COUNTY OF DALLAS

This instrument was acknowledged before me on the ____ day of _____, 1995, by WIRT DAVIS II.

Notary Public, State of Texas

THE STATE OF TEXAS

COUNTY OF HARRIS

This instrument was acknowledged before me on the _____ day of _____, 1995, by GORDON A. LOWTHER, as the attorney-in-fact for and on behalf of Camilla R. Blaffer.

Notary Public, State of Texas

THE STATE OF TEXAS

COUNTY OF POLK

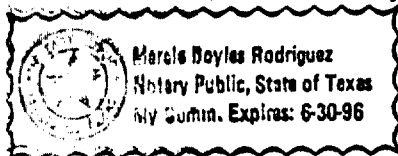
This instrument was acknowledged before me on the _____ day of _____, 1995, by CHARLES R. FRANKLIN, as the attorney-in-fact for and on behalf of Sara B. Hrdy, Daniel B. Hrdy, Joan B. Johnson, and Hiram Walker Royall.

Notary Public, State of Texas

THE STATE OF TEXAS

COUNTY OF MIDLAND

This instrument was acknowledged before me on the 17th day of April, 1995, by NICHOLAS C. TAYLOR, individually.

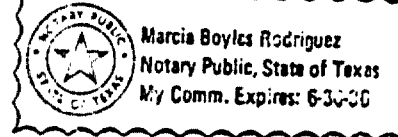


Marcia Boyles Rodriguez
Notary Public, State of Texas

THE STATE OF TEXAS

COUNTY OF MIDLAND

This instrument was acknowledged before me on the 18th day of April, 1995, by CATHERINE B. TAYLOR, individually.



Marcia Boyles Rodriguez
Notary Public, State of Texas

THE STATE OF TEXAS

COUNTY OF DALLAS

This instrument was acknowledged before me on the _____ day of _____, 1995, by HENRY C. BECK, JR., as Co-Trustee for the Kalita Hardin Beck Trust, the Henry Constable Beck III Trust, the Patricia Hardin Beck Trust, and the Spindrift Constable Beck Al Swaidi Trust.

Notary Public, State of Texas

THE STATE OF TEXAS

COUNTY OF DALLAS

This instrument was acknowledged before me on the _____ day of _____, 1995, by HELEN BUCHANAN DAVIS, as Co-Trustee for the Hannah Davis Cutshall Trust and the Helen Buchanan Davis Trust.

Notary Public, State of Texas

THE STATE OF TEXAS

COUNTY OF HARRIS

This instrument was acknowledged before me on the _____ day of _____, 1995, by GORDON A. LOWTHER, as Co-Trustee for the Catherine B. Taylor Trust.

Notary Public, State of Texas

THE STATE OF TEXAS

COUNTY OF HARRIS

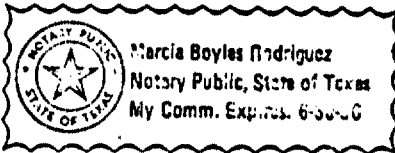
This instrument was acknowledged before me on the _____ day of _____, 1995, by REEDA J. BROWN, as Co-Trustee for the Catherine B. Taylor Trust.

Notary Public, State of Texas

THE STATE OF TEXAS

COUNTY OF MIDLAND

This instrument was acknowledged before me on the 17th day of April, 1995, by NICHOLAS C. TAYLOR, in the capacity herein stated as Custodian under the Texas Uniform Gifts to Minors Act for: John Blaffer Royall, Wirt Davis Johnson, Seth Carmichael Johnson, Kaleta Hardin Johnson, Katherine C. Taylor, Nicholas Van Campen Taylor, Christie Hardin Taylor, Catherine B. Hrdy, Camilla Alexandra Hrdy, and Nicholas Hardin Hrdy.



Marcia Boyles Rodriguez
Notary Public, State of Texas

AFTER RECORDING, PLEASE RETURN TO:

JOHN THOMPSON, County Judge
Polk County Courthouse
Livingston, Texas 77351

STATE OF TEXAS
COUNTY OF POLK

I, BARBARA MIDDLETON, hereby certify that this instrument was FILED in the file number sequence on the date and at the time stamped herein by me, and was duly RECORDED in the Official Public Records in volume and page of the named RECORDS of Polk County, Texas as stamped herein by me on

JAN 22 1999



Barbara Middleton
COUNTY CLERK
POLK COUNTY, TEXAS

FILED AND RECORDED
OFFICIAL PUBLIC RECORD
POLK COUNTY, TEXAS

99 JAN 22 AM 8:36

Barbara Middleton
BARBARA MIDDLETON
COUNTY CLERK, POLK CO. *CB*

SPECIAL WARRANTY DEED

GRANTOR: NATIONSBANK OF TEXAS, N.A., Trustee,
under the Agreements for PATRICIA DAVIS BECK, and as agent for WIRT DAVIS II
CATHERINE B. TAYLOR, individually;
SARAH B. HRDY, individually;
CAMILLA R. BLAFFER (also known as CAMILLA B. MALLARD), individually;
DANIEL B. HRDY, individually;
NICHOLAS C. TAYLOR, individually;
JOAN B. JOHNSON, individually;
HIRAM WALKER ROYALL; individually;
HENRY C. BECK, JR. and WIRT DAVIS II, as Co-Trustees of the KALITA HARDIN BECK
TRUST, the HENRY CONSTABLE BECK III Trust, the PATRICIA HARDIN BECK Trust, and
the SPINDRIFT CONSTABLE BECK AL SWAIDI Trust;
GORDON A. LOWTHER and JAMES W. ROBERTSON, as Co-Trustees under Article IV C of
the Last Will and Testament of CAMILLA D. TRAMMELL, deceased, for the JOAN B.
JOHNSON trust, the SARAH B. HRDY Trust, and the CAMILLA B. MALLARD Trust;
GORDON A. LOWTHER and REEDA J. BROWN, as Co-Trustees for the CATHERINE B.
TAYLOR Trust;
WIRT DAVIS II, HANNAH DAVIS CUTSHALL and HELEN BUCHANNAN DAVIS, as Co-Trustees
for the HANNAH DAVIS CUTSHALL Trust and the HELEN BUCHANNAN DAVIS Trust; and.
NICHOLAS C. TAYLOR as Custodian under the Texas Uniform Gifts to Minors Act
for: JOHN BLAFFER ROYALL, CATHERINE BELKNAP HRDY, CAMILLA ALEXANDRA HRDY,
NICHOLAS HARDIN HRDY, NICHOLAS VAN CAMPEN TAYLOR, KATHERINE CAMILLA TAYLOR,
CHRISTIE HARDIN TAYLOR, WIRT DAVIS JOHNSON, SETH CARMICHAEL BLAFFER JOHNSON,
and KALETA HARDIN JOHNSON

GRANTEE: POLK COUNTY, a political subdivision of the State of Texas

GRANTEE'S MAILING ADDRESS (including County):

Polk County Courthouse
Livingston, Texas 77351 (Polk County, Texas)

CONSIDERATION:

The sum of TEN AND NO/100 DOLLARS (\$10.00) and other good and valuable consideration to
Grantor paid by Grantee, the receipt and sufficiency of which is hereby acknowledged and
confessed, and for which no lien is retained, whether express or implied.

PROPERTY:

Being a 3.420 acres portion of a 100 acres tract out of the W. M. Johns Survey,
A-39, in Polk County, Texas, said 100 acres tract being decreed to the Thompson-
Tucker Lumber Company at a June, 1910, term of the Polk County District Court,
and being the Wirt Davis 100 acres tract, said portion being a 50 feet (50')
wide tract of land more particularly described as follows:

BEGINNING at a 4"x4" concrete monument found for the southeast corner of said
100 acres tract, same being the northeast corner of the Polk County 70.769 acres
tract described in that certain document recorded in Volume 598, Page 893, of
the Real Property Records of Polk County, Texas, also being the northeast corner
of the 571.63 acres tract described in that certain document recorded in Volume

158, Page 3, of the Polk County Deed Records, and being the southeast corner of the herein described tract;

THENCE north 00 deg. 19 min. 14 sec. west, with the east line of this tract, 50 feet, to a point for corner;

THENCE south 89 deg. 27 min. 06 sec. west, 2,979.01 feet, along a line parallel with the north line of the Polk County 70.769 acres tract to a point for corner;

THENCE south 01 deg. 40 min. 42 sec. west, 50.00 feet, to a 3" diameter concrete monument found for the northwest corner of the said Polk County 70.769 acres tract, also being the northwest corner of the said 571.63 acres tract, and being the southwest corner of the herein described tract;

THENCE south 89 deg. 27 min. 06 sec. east, 2,980.67 feet, along the north line of said 70.769 acres tract and 571.63 acres tract to the place of beginning and containing 3.420 acres of land, more or less (same being a 50 feet wide tract being north of, and parallel to, the north line of the Polk County 70.769 acres tract).

RESERVATIONS FROM AND EXCEPTIONS TO CONVEYANCE AND WARRANTY:

For Grantor, and the successors, heirs and assigns of Grantor, a reservation of all oil, gas and other non-surface minerals owned by Grantor in, under or that may be produced from the Property, together with the usual and customary rights of ingress and egress there-to for the purpose of exploring for, drilling for, producing, storing and removing the same. However, such reservation by Grantor shall not include, and the term "other minerals" shall not be construed to include, any lignite, coal, rock, sand, iron ore, gravel or any type of mineral that must be removed by surface or open-pit mining methods, or which would constitute any portion of the surface estate of the Property.

There is further excepted from this conveyance and reserved unto Grantor, and the successors, heirs and assigns of Grantor, for a period of time terminating at 11:59 o'clock p.m., Livingston, Texas time, on October 31, 1995, all timber of every kind or character now located on the Property. The following provisions shall apply to such reservation of timber (the "Timber Reservation"):

- (a) Grantor and Grantor's successors, heirs and assigns shall have, and do hereby retain full easements and rights of way by foot, vehicular or animal traffic for ingress and egress into, upon, over and across the Property in such manner and with such means as may be convenient and/or necessary for the purposes of cutting, felling and removing said timber, such rights to terminate on the date of the termination of the Timber Reservation.
- (b) Grantor may cause such timber to be cut, felled and removed by Grantor's agents, servants, employees and/or independent contractors.
- (c) The reservation of timber and the related rights thereto shall remain in full force and effect for a period of time ending at 11:59 p.m., Livingston, Texas, time, on October 31, 1995, and shall terminate automatically at the end of such period.
- (d) Grantor and the successors, heirs and assigns of Grantor shall have the right to utilize and move equipment thereon for the purposes of cutting and removing said timber.

- (e) In the event of any interference or threatened interference with the timber or the rights herein reserved and provided for, such rights may be enforced by restraining orders and injunctions (temporary or permanent) prohibiting such interference and commanding compliance with the provisions hereof, which restraining orders and injunctions shall be obtainable upon proof of the existence of such interference or threatened interference, and without the necessity of proof of inadequacy of legal remedies or irreparable harm, and shall be obtainable by one or more persons that are a party to this deed or that are benefited hereby; provided, however, nothing herein shall be deemed to be an election of remedies or a waiver of any other rights or remedies available at law or in equity.
- (f) The terms and provisions hereof relating to the Timber Reservation shall be binding upon and inure to the benefit of all parties named in this deed and their respective successors, heirs and assigns and shall constitute covenants running with the Property.

This conveyance is also made by Grantor and accepted by Grantee expressly subject to the following matters, but only to the extent that they are valid and still in force and effect against the Property, to-wit:

- (1) All easements, rights-of-way and prescriptive rights, whether of record or not, pertaining to any portion of the Property;
- (2) All presently recorded and valid oil, gas and/or other mineral exceptions, rights of development or leases, royalty reservations and/or other instruments constituting oil, gas or other mineral interest severances, conveyances, leases and/or hypothecations of any kind;
- (3) All presently recorded instruments (other than encumbrances and conveyances by, through or under Grantor) that affect the Property;
- (4) Taxes and assessments for the year 1995, and subsequent years, the payment of which Grantee assumes; and subsequent assessments for this and prior years due to changes in land usage, ownership, or both, the payment of which Grantee assumes;
- (5) Any ordinances, statutes or regulations promulgated by the County of Polk, or any other agency or political subdivision of the State of Texas or the United States Government; and,
- (6) Any conditions that would be revealed by a physical inspection and/or survey of the Property.

GRANT:

Grantor, for the Consideration and subject to the Reservations From and Exceptions to Conveyance and Warranty set forth above, hereby grants, sells and conveys to Grantee the Property, together with all and singular the rights and appurtenances thereto in any wise belonging; to have and hold the Property to Grantee, and Grantee's heirs, executors, administrators and assigns, forever. Grantor hereby binds Grantor, and Grantor's heirs, personal representatives and successors, to warrant and forever defend all and singular the Property to Grantee, and Grantee's heirs, executors, administrators and assigns, against every person whomsoever lawfully claiming or to claim the same or any part thereof, by, through or under Grantor, but not otherwise, and except as to the (i) Reservations From and Exceptions to Conveyance and Warranty and (ii) other matters set forth in this deed.

GENERAL PROVISIONS:

Grantee acknowledges to Grantor that Grantee understands that (i) Grantor does not represent to Grantee that the Property has access to or from any easement and/or road, and (ii) Grantor has executed and delivered this deed, and Grantee has received and accepted this deed and the Property AS IS, WHERE IS, AND WITH ALL FAULTS, AND WITHOUT ANY REPRESENTATIONS OR WARRANTIES WHATSOEVER, EXPRESS OR IMPLIED, WRITTEN OR ORAL, EXCEPT SOLELY THE LIMITED WARRANTY OF TITLE EXPRESSLY SET FORTH HEREIN; IT BEING THE INTENTION OF GRANTOR AND GRANTEE TO EXPRESSLY REVOKE, RELEASE, NEGATE AND EXCLUDE ALL REPRESENTATIONS AND WARRANTIES, INCLUDING, BUT NOT LIMITED TO, ANY AND ALL EXPRESS OR IMPLIED REPRESENTATIONS AND WARRANTIES AS TO (i) THE CONDITION OF THE PROPERTY OR ANY ASPECT THEREOF, INCLUDING, WITHOUT LIMITATION, ANY AND ALL EXPRESS OR IMPLIED REPRESENTATIONS AND WARRANTIES RELATED TO MERCHANTABILITY OR FITNESS FOR A PARTICULAR USE OR PURPOSE; (ii) THE SOIL CONDITIONS, DRAINAGE, TOPOGRAPHICAL FEATURES, OR OTHER CONDITIONS OF THE PROPERTY OR WHICH AFFECT THE PROPERTY; (iii) ANY FEATURES OR CONDITIONS AT OR WHICH AFFECT THE PROPERTY WITH RESPECT TO ANY PARTICULAR PURPOSE, USE, DEVELOPMENT POTENTIAL, OR OTHERWISE; (iv) THE AREA, SIZE, SHAPE, CONFIGURATION, LOCATION, CAPACITY, QUANTITY, QUALITY, VALUE, CONDITION, OR AMOUNT OF THE PROPERTY; (v) ALL EXPRESS OR IMPLIED REPRESENTATIONS OR WARRANTIES CREATED BY ANY AFFIRMATION OF FACT OR PROMISE OR BY ANY DESCRIPTION OF THE PROPERTY; (vi) ANY ENVIRONMENTAL, GEOLOGICAL, OR OTHER CONDITION OR HAZARD OR THE ABSENCE THEREOF HERETOFORE, NOW, OR HEREAFTER AFFECTING IN ANY MANNER ANY PART OF THE PROPERTY; AND (vii) ALL OTHER EXPRESS OR IMPLIED WARRANTIES AND REPRESENTATIONS BY GRANTOR WHATSOEVER, EXCEPT SOLELY THE LIMITED WARRANTY OF TITLE EXPRESSLY SET FORTH HEREIN.

As used herein, the masculine gender shall include the feminine and neuter; and the singular and plural number shall include the other unless otherwise expressly provided.

NATIONSBANK OF TEXAS, N.A. is acting solely in its capacity as Trustee and agent and not otherwise, and on the condition that NATIONSBANK OF TEXAS, N.A., shall not have any liability in its corporate capacity on any agreement or warranty contained herein or arising hereunder.

PATRICIA DAVIS BECK joins in the execution hereof to acknowledge and affirm that the herein described trusts relating to her are still in force and effect and for all other lawful purposes.

THIS deed may be executed in multiple counterparts, all of which taken together shall constitute a single agreement with the same force and effect as if all parties had signed the same document.

THIS deed shall not be binding or effective on any party until executed and acknowledged by each Grantor listed herein.

EXECUTED on the respective dates of execution of the parties as set forth below.

NATIONSBANK OF TEXAS, N.A., Trustee and Agent

Date of Execution

By: _____
J. M. CHASTAIN, Vice President and
Trust Officer

Date of Execution

WIRT DAVIS, II

Date of Execution

PATRICIA DAVIS BECK

4-17-95

Date of Execution

Gordon A. Lowther

CAMILLA R. BLAFFER (formerly known as Camilla
B. Mallard) by GORDON A. LOWTHER as her Attor-
ney-In-Fact

Date of Execution

G

SARAH B. HRDY, DANIEL B. HRDY, JOAN B. JOHN-
SON, and HIRAM WALKER ROYALL by CHARLES R.
FRANKLIN as their Attorney-In-Fact

Date of Execution

NICHOLAS C. TAYLOR, individually

Date of Execution

CATHERINE B. TAYLOR, individually

CO-TRUSTEES for the Kalita Hardin Beck Trust,
the Henry Constable Beck III Trust, the Patri-
cia Hardin Beck Trust, and the Spindrift
Constable Beck Al Swaidi Trust

Date of Execution

HENRY C. BECK, JR., Co-Trustee

Date of Execution

WIRT DAVIS II, Co-Trustee

CO-TRUSTEES for the Joan B. Johnson Trust, the
Sarah B. Hardy Trust, and the Camilla B. Mal-
lard Trust

4-17-95

Date of Execution

Gordon A. Lowther

GORDON A. LOWTHER, Co-Trustee

4-17-95

Date of Execution

James W. Robertson

JAMES W. ROBERTSON, Co-Trustee

CO-TRUSTEES for the Catherine B. Taylor Trust

4-17-95
Date of Execution

Gordon A. Lowther
GORDON A. LOWTHER, Co-Trustee

4-17-95
Date of Execution

Reeda J. Brown
REEDA J. BROWN, Co-Trustee

CO-TRUSTEES for the Hannah Davis Cutshall Trust and the Helen Buchanan Davis Trust

Date of Execution

WIRT DAVIS II, Co-Trustee

Date of Execution

HANNAH DAVIS CUTSHALL, Co-Trustee

Date of Execution

HELEN BUCHANAN DAVIS, Co-Trustee

Date of Execution

NICHOLAS C. TAYLOR, as the Custodian under the Texas Uniform Gifts to Minors Act for: John Blaffer Royall, Catherine Belknap Hrdy, Camilla Alexandra Hrdy, Nicholas Hardin Hrdy, Nicholas Van Campen Taylor, Katherine Camilla Taylor, Christie Hardin Taylor, Wirt Davis Johnson, Seth Carmichael Blaffer Johnson, and Kaleta Hardin Johnson

THE STATE OF TEXAS

COUNTY OF DALLAS

This instrument was acknowledged before me on the ____ day of _____, 1995, by J. M. CHASTAIN, Vice-President and Trust Officer of NationsBank of Texas, N.A., Trustee under the Agreements for Patricia Davis Beck, and as Agent for Wirt Davis II.

Notary Public, State of Texas

THE STATE OF TEXAS

COUNTY OF DALLAS

This instrument was acknowledged before me on the ____ day of _____, 1995, by PATRICIA DAVIS BECK.

Notary Public, State of Texas

THE STATE OF TEXAS

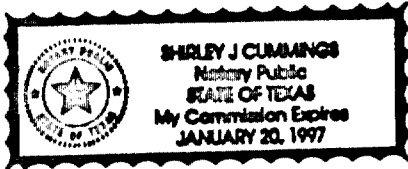
COUNTY OF DALLAS

This instrument was acknowledged before me on the ____ day of _____, 1995, by WIRT DAVIS II.

Notary Public, State of Texas

THE STATE OF TEXAS
COUNTY OF HARRIS

This instrument was acknowledged before me on the 17th day of April, 1995, by GORDON A. LOWTHER, as the attorney-in-fact for and on behalf of Camilla R. Blaffer.



Shirley J. Cummings
Notary Public, State of Texas

THE STATE OF TEXAS
COUNTY OF POLK

This instrument was acknowledged before me on the ____ day of _____, 1995, by CHARLES R. FRANKLIN, as the attorney-in-fact for and on behalf of Sara B. Hrdy, Daniel B. Hrdy, Joan B. Johnson, and Hiram Walker Royall.

Notary Public, State of Texas

THE STATE OF TEXAS
COUNTY OF MIDLAND

This instrument was acknowledged before me on the ____ day of _____, 1995, by NICHOLAS C. TAYLOR, individually.

Notary Public, State of Texas

THE STATE OF TEXAS
COUNTY OF MIDLAND

This instrument was acknowledged before me on the ____ day of _____, 1995, by CATHERINE B. TAYLOR, individually.

Notary Public, State of Texas

THE STATE OF TEXAS
COUNTY OF DALLAS

This instrument was acknowledged before me on the ____ day of _____, 1995, by HENRY C. BECK, JR., as Co-Trustee for the Kalita Hardin Beck Trust, the Henry Constable Beck III Trust, the Patricia Hardin Beck Trust, and the Spindrift Constable Beck Al Swaidi Trust.

Notary Public, State of Texas

THE STATE OF TEXAS

COUNTY OF DALLAS

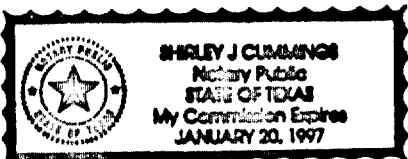
This instrument was acknowledged before me on the ____ day of _____, 1995, by WIRT DAVIS II, as Co-Trustee for the Kalita Hardin Beck Trust, the Henry Constable Beck III Trust, the Patricia Hardin Beck Trust, and the Spindrift Constable Beck Al Swaidi Trust.

Notary Public, State of Texas

THE STATE OF TEXAS

COUNTY OF HARRIS

This instrument was acknowledged before me on the 17th day of April, 1995, by GORDON A. LOWTHER, as Co-Trustee for the Joan B. Johnson Trust, the Sarah B. Hrdy Trust, and the Camilla B. Mallard Trust.

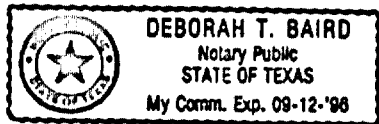


Shirley J. Cummings
Notary Public, State of Texas

THE STATE OF TEXAS

COUNTY OF HARRIS

This instrument was acknowledged before me on the 18th day of April, 1995, by JAMES W. ROBERTSON, as Co-Trustee for the Joan B. Johnson Trust, the Sarah B. Hrdy Trust, and the Camilla B. Mallard Trust.



Deborah T. Baird
Notary Public, State of Texas

THE STATE OF TEXAS

COUNTY OF DALLAS

This instrument was acknowledged before me on the ____ day of _____, 1995, by WIRT DAVIS II, as Co-Trustee for the Hannah Davis Cutshall Trust and the Helen Buchanan Davis Trust.

Notary Public, State of Texas

THE STATE OF TEXAS

COUNTY OF DALLAS

This instrument was acknowledged before me on the ____ day of _____, 1995, by HANNAH DAVIS CUTSHALL, as Co-Trustee for the Hannah Davis Cutshall Trust and the Helen Buchanan Davis Trust.

Notary Public, State of Texas

THE STATE OF TEXAS

COUNTY OF DALLAS

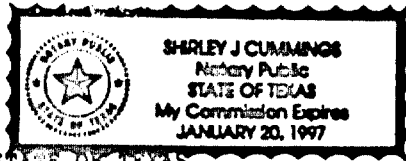
This instrument was acknowledged before me on the _____ day of _____, 1995, by HELEN BUCHANAN DAVIS, as Co-Trustee for the Hannah Davis Cutshall Trust and the Helen Buchanan Davis Trust.

Notary Public, State of Texas

THE STATE OF TEXAS

COUNTY OF HARRIS

This instrument was acknowledged before me on the 17th day of April, 1995, by GORDON A. LOWTHER, as Co-Trustee for the Catherine B. Taylor Trust.



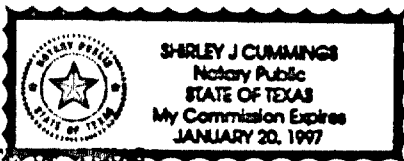
Shirley J. Cummings

Notary Public, State of Texas

THE STATE OF TEXAS

COUNTY OF HARRIS

This instrument was acknowledged before me on the 17th day of April, 1995, by REEDA J. BROWN, as Co-Trustee for the Catherine B. Taylor Trust.



Shirley J. Cummings

Notary Public, State of Texas

THE STATE OF TEXAS

COUNTY OF MIDLAND

This instrument was acknowledged before me on the _____ day of _____, 1995, by NICHOLAS C. TAYLOR, in the capacity herein stated as Custodian under the Texas Uniform Gifts to Minors Act for: John Blaffer Royall, Wirt Davis Johnson, Seth Carmichael Johnson, Kaleta Hardin Johnson, Katherine C. Taylor, Nicholas Van Campen Taylor, Christie Hardin Taylor, Catherine B. Hrdy, Camilla Alexandra Hrdy, and Nicholas Hardin Hrdy.

Notary Public, State of Texas

AFTER RECORDING, PLEASE RETURN TO:

JOHN THOMPSON, County Judge
Polk County Courthouse
Livingston, Texas 77351

FILED AND RECORDED
OFFICIAL PUBLIC RECORDS
POLK COUNTY, TEXAS

99 JAN 22 AM 8:36

Barbara Middleton

BARBARA MIDDLETON
COUNTY CLERK, POLK CO. *JB*

STATE OF TEXAS }
COUNTY OF POLK }
I, BARBARA MIDDLETON, County Clerk of Polk County, Texas, do hereby certify that the foregoing instrument was filed for record in the Public Records of Polk County, Texas, on the 22nd day of January, 1999, at 8:36 AM, and the same is a true and correct copy of the original instrument as recorded in the Public Records of Polk County, Texas, as stated herein by me.

JAN 22 1999



Barbara Middleton

COUNTY CLERK
POLK COUNTY, TEXAS

SPECIAL WARRANTY DEED

GRANTOR: NATIONSBANK OF TEXAS, N.A., Trustee,
under the Agreements for PATRICIA DAVIS BECK, and as agent for WIRT DAVIS II
CATHERINE B. TAYLOR, individually;
SARAH B. HRDY, individually;
CAMILLA R. BLAFFER (also known as CAMILLA B. MALLARD), individually;
DANIEL B. HRDY, individually;
NICHOLAS C. TAYLOR, individually;
JOAN B. JOHNSON, individually;
HIRAM WALKER ROYALL; individually;
HENRY C. BECK, JR. and WIRT DAVIS II, as Co-Trustees of the KALITA HARDIN BECK TRUST, the HENRY CONSTABLE BECK III Trust, the PATRICIA HARDIN BECK Trust, and the SPINDRIFT CONSTABLE BECK AL SWAIDI Trust;
GORDON A. LOWTHER and JAMES W. ROBERTSON, as Co-Trustees under Article IV C of the Last Will and Testament of CAMILLA D. TRAMMELL, deceased, for the JOAN B. JOHNSON trust, the SARAH B. HRDY Trust, and the CAMILLA B. MALLARD Trust;
GORDON A. LOWTHER and REEDA J. BROWN, as Co-Trustees for the CATHERINE B. TAYLOR Trust;
WIRT DAVIS II, HANNAH DAVIS CUTSHALL and HELEN BUCHANNAN DAVIS, as Co-Trustees for the HANNAH DAVIS CUTSHALL Trust and the HELEN BUCHANNAN DAVIS Trust; and,
NICHOLAS C. TAYLOR as Custodian under the Texas Uniform Gifts to Minors Act for: JOHN BLAFFER ROYALL, CATHERINE BELKNAP HRDY, CAMILLA ALEXANDRA HRDY, NICHOLAS HARDIN HRDY, NICHOLAS VAN CAMPEN TAYLOR, KATHERINE CAMILLA TAYLOR, CHRISTIE HARDIN TAYLOR, WIRT DAVIS JOHNSON, SETH CARMICHAEL BLAFFER JOHNSON, and KALETA HARDIN JOHNSON

GRANTEE: POLK COUNTY, a political subdivision of the State of Texas

GRANTEE'S MAILING ADDRESS (including County):

Polk County Courthouse
Livingston, Texas 77351 (Polk County, Texas)

CONSIDERATION:

The sum of TEN AND NO/100 DOLLARS (\$10.00) and other good and valuable consideration to Grantor paid by Grantee, the receipt and sufficiency of which is hereby acknowledged and confessed, and for which no lien is retained, whether express or implied.

PROPERTY:

Being a 3.420 acres portion of a 100 acres tract out of the W. M. Johns Survey, A-39, in Polk County, Texas, said 100 acres tract being decreed to the Thompson-Tucker Lumber Company at a June, 1910, term of the Polk County District Court, and being the Wirt Davis 100 acres tract, said portion being a 50 feet (50') wide tract of land more particularly described as follows:

BEGINNING at a 4"x4" concrete monument found for the southeast corner of said 100 acres tract, same being the northeast corner of the Polk County 70.769 acres tract described in that certain document recorded in Volume 598, Page 893, of the Real Property Records of Polk County, Texas, also being the northeast corner of the 571.63 acres tract described in that certain document recorded in Volume

158, Page 3, of the Polk County Deed Records, and being the southeast corner of the herein described tract;

THENCE north 00 deg. 19 min. 14 sec. west, with the east line of this tract. 50 feet, to a point for corner;

THENCE south 89 deg. 27 min. 06 sec. west, 2,979.01 feet, along a line parallel with the north line of the Polk County 70.769 acres tract to a point for corner;

THENCE south 01 deg. 40 min. 42 sec. west, 50.00 feet, to a 3" diameter concrete monument found for the northwest corner of the said Polk County 70.769 acres tract, also being the northwest corner of the said 571.63 acres tract, and being the southwest corner of the herein described tract;

THENCE south 89 deg. 27 min. 06 sec. east, 2,980.67 feet, along the north line of said 70.769 acres tract and 571.63 acres tract to the place of beginning and containing 3.420 acres of land, more or less (same being a 50 feet wide tract being north of, and parallel to, the north line of the Polk County 70.769 acres tract).

RESERVATIONS FROM AND EXCEPTIONS TO CONVEYANCE AND WARRANTY:

For Grantor, and the successors, heirs and assigns of Grantor, a reservation of all oil, gas and other non-surface minerals owned by Grantor in, under or that may be produced from the Property, together with the usual and customary rights of ingress and egress there-to for the purpose of exploring for, drilling for, producing, storing and removing the same. However, such reservation by Grantor shall not include, and the term "other minerals" shall not be construed to include, any lignite, coal, rock, sand, iron ore, gravel or any type of mineral that must be removed by surface or open-pit mining methods, or which would constitute any portion of the surface estate of the Property.

There is further excepted from this conveyance and reserved unto Grantor, and the successors, heirs and assigns of Grantor, for a period of time terminating at 11:59 o'clock p.m., Livingston, Texas time, on October 31, 1995, all timber of every kind or character now located on the Property. The following provisions shall apply to such reservation of timber (the "Timber Reservation"):

- (a) Grantor and Grantor's successors, heirs and assigns shall have, and do hereby retain full easements and rights of way by foot, vehicular or animal traffic for ingress and egress into, upon, over and across the Property in such manner and with such means as may be convenient and/or necessary for the purposes of cutting, felling and removing said timber, such rights to terminate on the date of the termination of the Timber Reservation.
- (b) Grantor may cause such timber to be cut, felled and removed by Grantor's agents, servants, employees and/or independent contractors.
- (c) The reservation of timber and the related rights thereto shall remain in full force and effect for a period of time ending at 11:59 p.m., Livingston, Texas, time, on October 31, 1995, and shall terminate automatically at the end of such period.
- (d) Grantor and the successors, heirs and assigns of Grantor shall have the right to utilize and move equipment thereon for the purposes of cutting and removing said timber.

- (e) In the event of any interference or threatened interference with the timber or the rights herein reserved and provided for, such rights may be enforced by restraining orders and injunctions (temporary or permanent) prohibiting such interference and commanding compliance with the provisions hereof, which restraining orders and injunctions shall be obtainable upon proof of the existence of such interference or threatened interference, and without the necessity of proof of inadequacy of legal remedies or irreparable harm, and shall be obtainable by one or more persons that are a party to this deed or that are benefited hereby; provided, however, nothing herein shall be deemed to be an election of remedies or a waiver of any other rights or remedies available at law or in equity.
- (f) The terms and provisions hereof relating to the Timber Reservation shall be binding upon and inure to the benefit of all parties named in this deed and their respective successors, heirs and assigns and shall constitute covenants running with the Property.

This conveyance is also made by Grantor and accepted by Grantee expressly subject to the following matters, but only to the extent that they are valid and still in force and effect against the Property, to-wit:

- (1) All easements, rights-of-way and prescriptive rights, whether of record or not, pertaining to any portion of the Property;
- (2) All presently recorded and valid oil, gas and/or other mineral exceptions, rights of development or leases, royalty reservations and/or other instruments constituting oil, gas or other mineral interest severances, conveyances, leases and/or hypothecations of any kind;
- (3) All presently recorded instruments (other than encumbrances and conveyances by, through or under Grantor) that affect the Property;
- (4) Taxes and assessments for the year 1995, and subsequent years, the payment of which Grantee assumes; and subsequent assessments for this and prior years due to changes in land usage, ownership, or both, the payment of which Grantee assumes;
- (5) Any ordinances, statutes or regulations promulgated by the County of Polk, or any other agency or political subdivision of the State of Texas or the United States Government; and,
- (6) Any conditions that would be revealed by a physical inspection and/or survey of the Property.

GRANT:

Grantor, for the Consideration and subject to the Reservations From and Exceptions to Conveyance and Warranty set forth above, hereby grants, sells and conveys to Grantee the Property, together with all and singular the rights and appurtenances thereto in any wise belonging; to have and hold the Property to Grantee, and Grantee's heirs, executors, administrators and assigns, forever. Grantor hereby binds Grantor, and Grantor's heirs, personal representatives and successors, to warrant and forever defend all and singular the Property to Grantee, and Grantee's heirs, executors, administrators and assigns, against every person whomsoever lawfully claiming or to claim the same or any part thereof, by, through or under Grantor, but not otherwise, and except as to the (i) Reservations From and Exceptions to Conveyance and Warranty and (ii) other matters set forth in this deed.

GENERAL PROVISIONS:

Grantee acknowledges to Grantor that Grantee understands that (i) Grantor does not represent to Grantee that the Property has access to or from any easement and/or road, and (ii) Grantor has executed and delivered this deed, and Grantee has received and accepted this deed and the Property AS IS, WHERE IS, AND WITH ALL FAULTS, AND WITHOUT ANY REPRESENTATIONS OR WARRANTIES WHATSOEVER, EXPRESS OR IMPLIED, WRITTEN OR ORAL, EXCEPT SOLELY THE LIMITED WARRANTY OF TITLE EXPRESSLY SET FORTH HEREIN; IT BEING THE INTENTION OF GRANTOR AND GRANTEE TO EXPRESSLY REVOKE, RELEASE, NEGATE AND EXCLUDE ALL REPRESENTATIONS AND WARRANTIES, INCLUDING, BUT NOT LIMITED TO, ANY AND ALL EXPRESS OR IMPLIED REPRESENTATIONS AND WARRANTIES AS TO (i) THE CONDITION OF THE PROPERTY OR ANY ASPECT THEREOF, INCLUDING, WITHOUT LIMITATION, ANY AND ALL EXPRESS OR IMPLIED REPRESENTATIONS AND WARRANTIES RELATED TO MERCHANTABILITY OR FITNESS FOR A PARTICULAR USE OR PURPOSE; (ii) THE SOIL CONDITIONS, DRAINAGE, TOPOGRAPHICAL FEATURES, OR OTHER CONDITIONS OF THE PROPERTY OR WHICH AFFECT THE PROPERTY; (iii) ANY FEATURES OR CONDITIONS AT OR WHICH AFFECT THE PROPERTY WITH RESPECT TO ANY PARTICULAR PURPOSE, USE, DEVELOPMENT POTENTIAL, OR OTHERWISE; (iv) THE AREA, SIZE, SHAPE, CONFIGURATION, LOCATION, CAPACITY, QUANTITY, QUALITY, VALUE, CONDITION, OR AMOUNT OF THE PROPERTY; (v) ALL EXPRESS OR IMPLIED REPRESENTATIONS OR WARRANTIES CREATED BY ANY AFFIRMATION OF FACT OR PROMISE OR BY ANY DESCRIPTION OF THE PROPERTY; (vi) ANY ENVIRONMENTAL, GEOLOGICAL, OR OTHER CONDITION OR HAZARD OR THE ABSENCE THEREOF HERETOFORE, NOW, OR HEREAFTER AFFECTING IN ANY MANNER ANY PART OF THE PROPERTY; AND (vii) ALL OTHER EXPRESS OR IMPLIED WARRANTIES AND REPRESENTATIONS BY GRANTOR WHATSOEVER, EXCEPT SOLELY THE LIMITED WARRANTY OF TITLE EXPRESSLY SET FORTH HEREIN.

As used herein, the masculine gender shall include the feminine and neuter; and the singular and plural number shall include the other unless otherwise expressly provided.

NATIONSBANK OF TEXAS, N.A. is acting solely in its capacity as Trustee and agent and not otherwise, and on the condition that NATIONSBANK OF TEXAS, N.A., shall not have any liability in its corporate capacity on any agreement or warranty contained herein or arising hereunder.

PATRICIA DAVIS BECK joins in the execution hereof to acknowledge and affirm that the herein described trusts relating to her are still in force and effect and for all other lawful purposes.

THIS deed may be executed in multiple counterparts, all of which taken together shall constitute a single agreement with the same force and effect as if all parties had signed the same document.

THIS deed shall not be binding or effective on any party until executed and acknowledged by each Grantor listed herein.

EXECUTED on the respective dates of execution of the parties as set forth below.

April 21, 1995
Date of Execution

NATIONSBANK OF TEXAS, N.A., Trustee and Agent

By: J. M. Chastain
J. M. CHASTAIN, Vice President and Trust Officer

4/31/95
Date of Execution

Wirt Davis II
WIRT DAVIS, II

4/24/95
Date of Execution

Patricia Davis Beck
PATRICIA DAVIS BECK

Date of Execution

CAMILLA R. BLAPPER (formerly known as Camilla B. Mallard) by GORDON W. LOWTHER as her Attorney-In-Fact

5/10/95
Date of Execution

Chas R. Franklin
SARAH B. HRDY, DANIEL B. HRDY, JOAN B. JOHNSON, and HIRAM WALKER ROYALL by CHARLES R. FRANKLIN as their Attorney-In-Fact

Date of Execution

NICHOLAS C. TAYLOR, individually

Date of Execution

CATHERINE B. TAYLOR, individually

CO-TRUSTEES for the Kalita Hardin Beck Trust, the Henry Constable Beck III Trust, the Patricia Hardin Beck Trust, and the Spindrift Constable Beck At Swardi Trust

5-8-95
Date of Execution

Henry G. Beck, Jr.
HENRY G. BECK, JR., Co-Trustee

4/31/95
Date of Execution

Wirt Davis II
WIRT DAVIS II, Co-Trustee

CO-TRUSTEES for the Joan B. Johnson Trust, the Sarah B. Hardy Trust, and the Camilla B. Mallard Trust

Date of Execution

GORDON A. LOWTHER, Co-Trustee

Date of Execution

JAMES W. ROBERTSON, Co-Trustee

CO-TRUSTEES for the Catherine B. Taylor Trust

Date of Execution

GORDON A. LOWTHER, Co-Trustee

Date of Execution

REEDA J. BROWN, Co-Trustee

CO-TRUSTEES for the Hannah Davis Cutshall Trust and the Helen Buchanan Davis Trust

4/31/95

Wirt Davis II

Date of Execution

WIRT DAVIS II, Co-Trustee

4/28/95

Date of Execution

Hannah Davis Cutshall
HANNAH DAVIS CUTSHALL, Co-Trustee

4/28/95

Date of Execution

Helen Buchanan Davis
HELEN BUCHANAN DAVIS, Co-Trustee

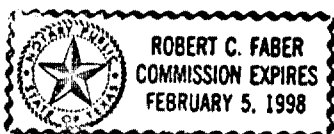
Date of Execution

NICHOLAS C. TAYLOR, as the Custodian under the Texas Uniform Gifts to Minors Act for: John Blaffer Royall, Catherine Belknap Hrdy, Camilla Alexandra Hrdy, Nicholas Hardin Hrdy, Nicholas Van Campen Taylor, Katherine Camilla Taylor, Christie Hardin Taylor, Wirt Davis Johnson, Seth Carmichael Blaffer Johnson, and Kaleta Hardin Johnson

THE STATE OF TEXAS

COUNTY OF DALLAS

This instrument was acknowledged before me on the 21ST day of APRIL, 1995, by J. M. CHASTAIN, Vice-President and Trust Officer of NationsBank of Texas, N.A., Trustee under the Agreements for Patricia Davis Beck, and as Agent for Wirt Davis II.

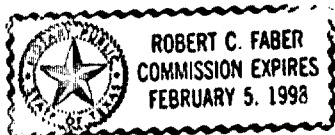


Robert C. Faber
Notary Public, State of Texas

THE STATE OF TEXAS

COUNTY OF DALLAS

This instrument was acknowledged before me on the 24TH day of APRIL, 1995, by PATRICIA DAVIS BECK.

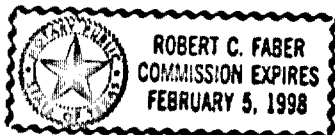


Robert C. Faber
Notary Public, State of Texas

THE STATE OF TEXAS

COUNTY OF DALLAS

This instrument was acknowledged before me on the 25 day of APRIL, 1995, by WIRT DAVIS II.



Robert C. Faber
Notary Public, State of Texas

THE STATE OF TEXAS

COUNTY OF HARRIS

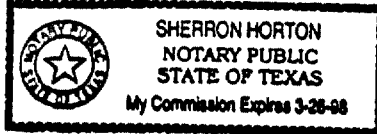
This instrument was acknowledged before me on the ____ day of _____, 1995, by GORDON A. LOWTHER, as the attorney-in-fact for and on behalf of Camilla R. Blaffer.

Notary Public, State of Texas

THE STATE OF TEXAS

COUNTY OF POLK

This instrument was acknowledged before me on the 10th day of May, 1995, by CHARLES R. FRANKLIN, as the attorney-in-fact for and on behalf of Sara B. Hrdy, Daniel B. Hrdy, Joan B. Johnson, and Hiram Walker Royall.



Sherron Horton
Notary Public, State of Texas

THE STATE OF TEXAS

COUNTY OF MIDLAND

This instrument was acknowledged before me on the ____ day of _____, 1995, by NICHOLAS C. TAYLOR, individually.

Notary Public, State of Texas

THE STATE OF TEXAS

COUNTY OF MIDLAND

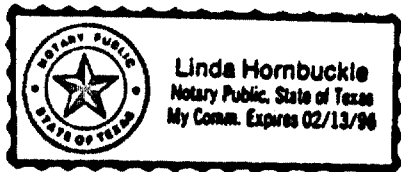
This instrument was acknowledged before me on the ____ day of _____, 1995, by CATHERINE B. TAYLOR, individually.

Notary Public, State of Texas

THE STATE OF TEXAS

COUNTY OF DALLAS

This instrument was acknowledged before me on the 5th day of May, 1995, by HENRY C. BECK, JR., as Co-Trustee for the Kalita Hardin Beck Trust, the Henry Constable Beck III Trust, the Patricia Hardin Beck Trust, and the Spindrift Constable Beck Al Swaidi Trust.

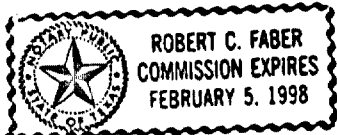


Linda Hornbuckle
Notary Public, State of Texas

THE STATE OF TEXAS

COUNTY OF DALLAS

This instrument was acknowledged before me on the 31ST day of APRIL, 1995, by WIRT DAVIS II, as Co-Trustee for the Kalita Hardin Beck Trust, the Henry Constable Beck III Trust, the Patricia Hardin Beck Trust, and the Spindrift Constable Beck Al Swaidi Trust.



Robert C. Faber
Notary Public, State of Texas

THE STATE OF TEXAS

COUNTY OF HARRIS

This instrument was acknowledged before me on the ___ day of _____, 1995, by GORDON A. LOWTHER, as Co-Trustee for the Joan B. Johnson Trust, the Sarah B. Hrdy Trust, and the Camilla B. Mallard Trust.

Notary Public, State of Texas

THE STATE OF TEXAS

COUNTY OF HARRIS

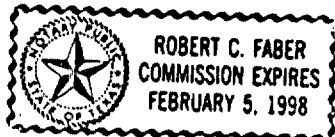
This instrument was acknowledged before me on the ___ day of _____, 1995, by JAMES W. ROBERTSON, as Co-Trustee for the Joan B. Johnson Trust, the Sarah B. Hrdy Trust, and the Camilla B. Mallard Trust.

Notary Public, State of Texas

THE STATE OF TEXAS

COUNTY OF DALLAS

This instrument was acknowledged before me on the 31ST day of APRIL, 1995, by WIRT DAVIS II, as Co-Trustee for the Hannah Davis Cutshall Trust and the Helen Buchanan Davis Trust.

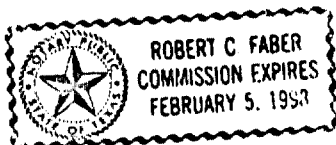


Robert C. Faber
Notary Public, State of Texas

THE STATE OF TEXAS

COUNTY OF DALLAS

This instrument was acknowledged before me on the 30TH day of APRIL, 1995, by HANNAH DAVIS CUTSHALL, as Co-Trustee for the Hannah Davis Cutshall Trust and the Helen Buchanan Davis Trust.

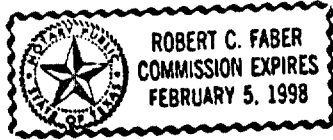


Robert C. Faber
Notary Public, State of Texas

THE STATE OF TEXAS

COUNTY OF DALLAS

This instrument was acknowledged before me on the 28th day of April, 1995, by HELEN BUCHANAN DAVIS, as Co-Trustee for the Hannah Davis Cutshall Trust and the Helen Buchanan Davis Trust.



Robert C. Faber
Notary Public, State of Texas

THE STATE OF TEXAS

COUNTY OF HARRIS

This instrument was acknowledged before me on the _____ day of _____, 1995, by GORDON A. LOWTHER, as Co-Trustee for the Catherine B. Taylor Trust.

Notary Public, State of Texas

THE STATE OF TEXAS

COUNTY OF HARRIS

This instrument was acknowledged before me on the _____ day of _____, 1995, by REEDA J. BROWN, as Co-Trustee for the Catherine B. Taylor Trust.

Notary Public, State of Texas

THE STATE OF TEXAS

COUNTY OF MIDLAND

This instrument was acknowledged before me on the _____ day of _____, 1995, by NICHOLAS C. TAYLOR, in the capacity herein stated as Custodian under the Texas Uniform Gifts to Minors Act for: John Blaffer Royall, Wirt Davis Johnson, Seth Carmichael Johnson, Kaleta Hardin Johnson, Katherine C. Taylor, Nicholas Van Campen Taylor, Christie Hardin Taylor, Catherine B. Hrdy, Camilla Alexandra Hrdy, and Nicholas Hardin Hrdy.

Notary Public, State of Texas

AFTER RECORDING, PLEASE RETURN TO:

JOHN THOMPSON, County Judge
Polk County Courthouse
Livingston, Texas 77351

FILED AND RECORDED
OFFICIAL PUBLIC RECORD
POLK COUNTY, TEXAS

99 JAN 22 AM 8:36

Barbara Middleton
BARBARA MIDDLETON
COUNTY CLERK, POLK CO. *BM*

STATE OF TEXAS }
COUNTY OF POLK }

I, BARBARA MIDDLETON, County Clerk, hereby certify that the instrument was FILED in the
the number appearing on the date and at the time stated herein by me, and
was duly RECORDED in the Official Public Records in volume and page of the
named RECORDS of Polk County, Texas as stated herein by me on

JAN 22 1999



Barbara Middleton
COUNTY CLERK
POLK COUNTY, TEXAS

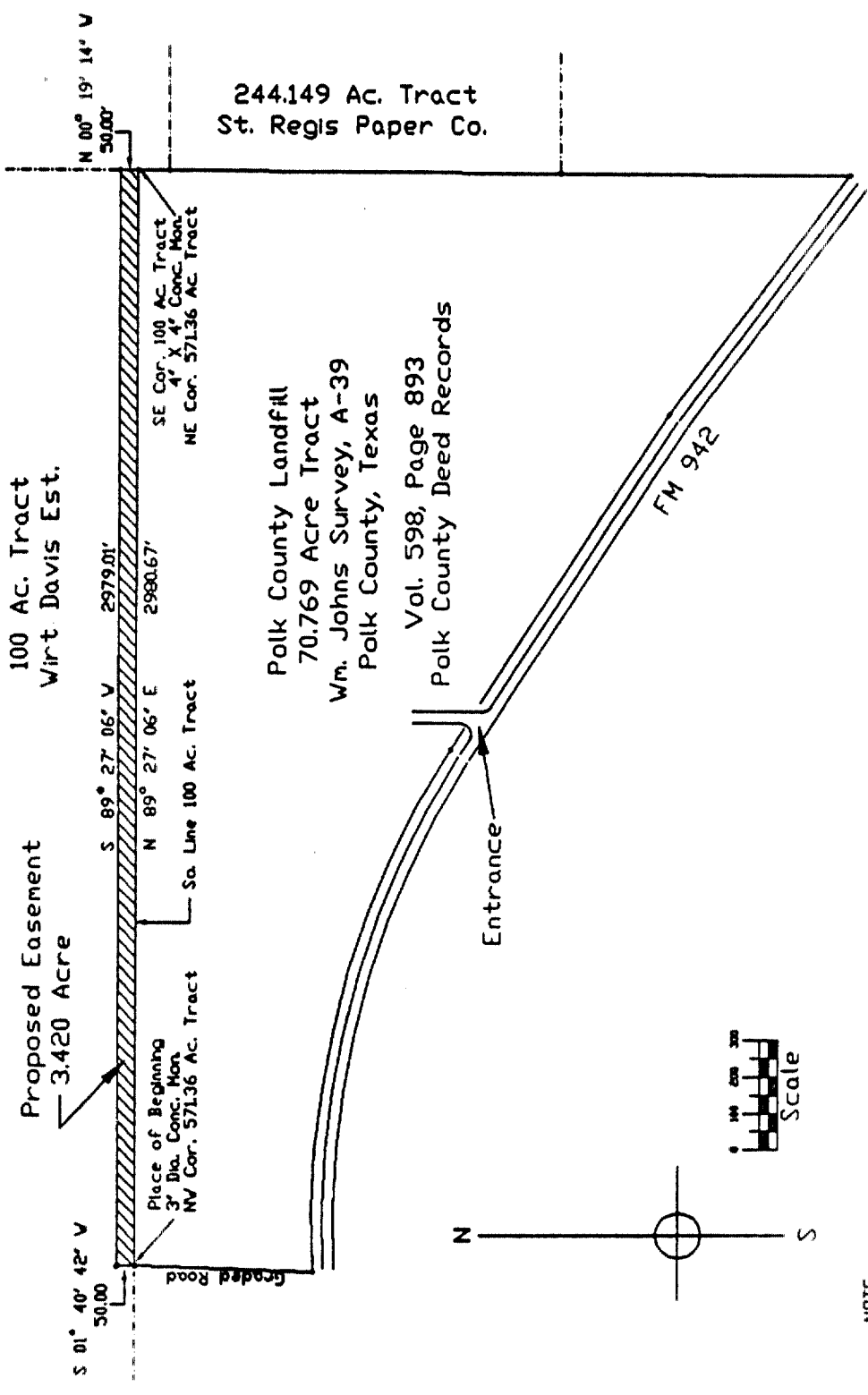
Commissioners Court approved tract purchase on March 27, 1995

Area	3.420 Acres
Perimeter	2980.67'
Other	

**3.420 Acre
50' Easement
Wirt Davis Est.**

**Proposed Easement
Wm. Johns Survey, A-39
Polk County, Texas**

KESTECH
6001 FM 3126
Livingston, Texas 77361
(409)-867-0641



NOTE:
This Plat For Planning
Purposes Only.

EXHIBIT G

EXISTING LANDFILL

This conveyance is further made and accepted subject to "roll back" taxes, if any, later imposed on the subject property under Section 23.76 of the Property Code of the State of Texas. Grantor will have no liability therefor.


TO HAVE AND TO HOLD the said premises, together with all and singular the rights, hereditaments and appurtenances thereunto belonging, unto the said Grantee, its successor and assigns, forever. And Grantor does hereby bind itself, its successors and assigns, to Warrant and Forever Defend the title to said property unto the Grantee, its successors and assigns, against every person whomsoever lawfully claiming or to claim the same or any part thereof, by, through and under Grantor but not otherwise.

This instrument is executed by Grantor to effect a voluntary conveyance of the above described property to Grantee in lieu of condemnation proceedings by Grantee to acquire the title and possession thereof and the compensation paid by Grantee to Grantor covers and includes all compensable damages that Grantor could have asserted in proceedings in eminent domain.

EXECUTED this 23rd day of March, 1987.

CHAMPION INTERNATIONAL CORPORATION

By B. F. Edwards
Executive Vice President

 Frank Ham
Assistant Secretary

DESCRIPTION
OF A 70.769 ACRE TRACT
OUT OF THE
WM. JOHNS SURVEY ABSTRACT NO. 39
POLK COUNTY, TEXAS

Being a part of a 1041.20 acre tract out of the WM. JOHNS SURVEY, ABSTRACT NO. 39, Polk County, Texas, described as tract 116 in the deed from Texas Long Leaf Lumber Co. to Southland Paper Mills, Inc., dated January 31, 1953, and recorded in Volume 158, Page 3 of the Deed Records of Polk County, Texas, also being a part of a 571.63 acre tract out of the said JOHNS SURVEY, described as the thirty-second tract (a) in the deed from West Lumber Company to Rock Creek Lumber Company dated December 31, 1926, and recorded in Volume 84, Page 225 of the said Deed Records. The said part being described by metes and bounds as follows to-wit:

BEGINNING at the Northeast corner of the said 571.63 acre tract, same being the Southeast corner of a 100 acre tract decreed to the Thompson-Tucker Lumber Company at June Term 1910, Polk County District Court, a 4" x 4" concrete monument set replacing a pine stake witnessed by a 16" Black Gum South 73 deg. West 61.11 feet, a 8" Post Oak North 56 deg. West 35.28 feet, a 10" Post Oak North 50 deg. 30 min. West 94.44 feet, a 5" Pine North 23 deg. 45 min. East 20.56 feet and a 4" Pine South 24 deg. 15 min. East 15.28 feet;

THENCE South 00 deg. 19 min. 14 sec. East with the East boundary line of the said 571.63 acre tract, at 86.08 feet the Northwest corner of a 244.149 acre tract out of the said JOHNS SURVEY described as tract 21 in the correction deed from Ogletree Lumber Company to St. Regis Paper Company dated December 17, 1977, and recorded in Vol. 341, Page 619 of the said Deed Records, a 3" x 3" concrete monument for corner from which a 15" Pine North 03 deg. 05 min. West 23.52 feet (record bearing tree), a 10" Pine North 66 deg. 50 min. East 11.35 feet (record bearing tree), a 14" Pine South 46 deg. 55 min. East 20.45 feet (record bearing tree) and a 10" Pine South 09 deg. 55 min. West 24.32 feet (record bearing tree), continuing with the East boundary line of the said 571.63 acre tract and the West boundary line of the said 244.149 acre tract, at 1181.04 feet the Southwest corner of the said 244.149 acre tract, a 3" x 3" concrete monument for corner witnessed by a 6" Post Oak North 24 deg. 06 min. East 16.63 feet (record bearing tree), a 5" Black Gum North 82 deg. 19 min. East 17.54 feet (record bearing tree), a 6" Pine South 35 deg. 17 min. East 16.33 feet (record bearing tree) and a 11" Post Oak North 59 deg. 46 min. West 4.52 feet (record bearing tree), continuing with the East boundary line of the said 571.63 acre tract, at 1973.71 feet intersect the North right-of-way line of Farm-to-Market 942, an iron rod set for corner;

THENCE North 52 deg. 28 min. 30 sec. West with the said right-of-way, at 479.33 feet the Point of Curve of a 1 deg. 57 min. 56 sec. Degree Curve to the left, an iron rod set for corner;

THENCE continuing with the said right-of-way and the said 1 deg. 57 min. 56 sec. Degree Curve, having a Central Angle of 4 deg. 50 min. 00 sec. and a Long Chord of North 54 deg. 53 min. 30 sec. West 245.81 feet, at 245.88 feet the Point of Tangent of the said 1 deg. 57 min. 56 sec. Degree Curve, an iron rod set for corner;

THENCE North 57 deg. 18 min. 30 sec. West with the said right-of-way, at 1258.16 feet the Point of Curve of a 2 deg. 55 min. 24 sec. Degree Curve to the left, an iron rod set for corner;

THENCE continuing with the said right-of-way and the said 2 deg. 55 min. 24 sec. Degree Curve, having a Central Angle of 26 deg. 13 min. 53 sec. and a Long Chord of North 70 deg. 25 min. 27 sec. West 889.46 feet, at 897.27 feet the Point of Tangent of the said 2 deg. 55 min. 24 sec. Degree Curve, an iron rod set for corner;

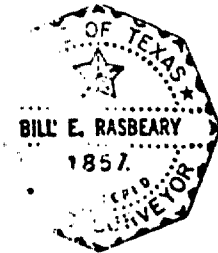
THENCE North 83 deg. 32 min. 24 sec. West with the said right-of-way, at 227.02 feet the Point of Curve of a 3 deg. 51 min. 54 sec. Degree Curve to the left, an iron rod set for corner;

THENCE continuing with the said right-of-way and the said 3 deg. 51 min. 54 sec. Degree Curve, having a Central Angle of 11 deg. 43 min. 09 sec. and a Long Chord of North 89 deg. 23 min. 58 sec. West 302.68 feet, at 303.21 feet, the Southwest corner of the herein described tract in the East margin of a graded road, a 3" round concrete monument buried 6" witnessed by a 7" Pine North 89 deg. 59 min. West 52.15 feet to the center, a 9" Pine North 72 deg. 57 min. West 50.10 feet to the center and a 6" Pine North 61 deg. 11 min. West 41.00 feet to the center;

THENCE North 01 deg. 40 min. 42 sec. East with the West line of the herein described tract and the East margin of the said graded road, at 505.74 feet the Northwest corner of the herein described tract, in the North boundary line of the said 571.63 acre tract, a 3" round concrete monument witnessed by a 11" Pine North 62 deg. 43 min. West 41.10 feet to the center, a 14" Pine South 68 deg. 27 min. East 9.10 feet to the center and a 11" Pine North 86 deg. 55 min. West 38.00 feet to the center;

THENCE North 89 deg. 27 min. 06 sec. East with the North boundary line of the said 571.63 acre tract, at 2980.67 feet the point and place of beginning and containing 70.769 acres of land more or less.

Note: All trees tied in to the face except where stated otherwise.



Bill E. Rasbeary
Bill E. Rasbeary
Registered Public Surveyor
Date: 12/11/86

EXHIBIT "A"

PAGE 2 OF 2

STATE OF TEXAS }
COUNTY OF POLK }

I, MARTHA JOHNSON, hereby certify that this instrument was FILED in the file number herein on the date and at the time stamped hereon by me, and was duly RECORDED in the Official Public Records in volume and page of the record RECORDS of Polk County, Texas as stamped hereon by me on

APR 14 1987



Martha Johnson
COUNTY CLERK
POLK COUNTY, TEXAS

FILED FOR RECORD

1987 APR 14 PM 4:33

MARTHA JOHNSON, COUNTY CLERK
POLK COUNTY, TEXAS

BY *Martha Johnson*

EXHIBIT H

CITIZEN COLLECTION STATIONS

Subject to other terms of the Agreement, the Contractor will operate the Citizen Collection Stations in a manner consistent with the following guidelines established by the County:

HOURS OF OPERATIONS

Under State law, Citizen Collection Stations are for the exclusive use of household waste disposal. Business and commercial waste must be taken directly to the landfill. All Citizen Collection Stations will be open 7 a.m. to __ p.m.

LOCATIONS

Highway 190 West.....Open 7 days a week
(Approximately 5 miles West of Livingston on the North side of Hwy. 190W)

OnalaskaOpen 7 days a week
(Approximately 4 miles North off Hwy. 190W, on FM 3459)

Hwy. 146 & FM 2665.....Open Tuesday, Thursday & Saturday
(Approximately 8 miles South of Livingston, at the intersection of Hwy. 146 & FM 2665)

Richardson Road.....Open Tuesday, Thursday & Saturday
(Approximately 11 miles East of Livingston, on Richardson Road)

Union SpringsOpen Tuesday, Thursday & Saturday
(Located Northwest of Corrigan. Turn west off Hwy. 59 onto Ben Franklin Street, cross railroad tracks, then turn right onto Union Springs Road, the station is located approximately 2 miles from town, on the left side of Union Springs Road.)

RATES

- **Price per Cubic Yard \$6.00**
(including State Tax)
- **Price per 13 gallon bag \$.25**
- **Price per 39 gallon bag \$.75**
- **Price per 50 gallon bag \$1.00**
- **Price per 70 gallon bag \$1.50**

Waste delivered loose, in a pick up or trailer, will be priced by the cubic yard. Cubic yards are calculated as follows: Length X Width X Depth = Cubic Feet Divided by 27 = Cubic Yards

The per bag applies, regardless of whether the bag is only partially filled. Attendants will not negotiate a lower price because bags are not completely filled. It is in the financial interest

of the citizen to put as much waste into a bas as possible. We recommend you crush boxes, plastic cartons, cans, etc., to conserve space.

Large, bulky, hard to handle items will be priced according to size. Examples are:

Sofa	\$5	Television sets	\$3
Chairs	\$3	Tables	\$3
Desks	\$6	Wood pallets	\$1
Mattress	\$4	Tires (off rim)	\$2

AUTHORIZED WASTE

The following items are considered to be acceptable household waste and may be deposited in a Citizen Collection Station container: brush (yard trimmings), household garbage, tires (removed from the rim), TV, appliances, and furniture, mattress/box springs, small dead animals (placed in a plastic bag), construction and demolition waste from remodeling, used oil or oil filters (at no charge).

(NOTE: by Federal Law, freon must be removed from refrigerant appliances before disposal. Verification of proper removal of freon may be obtained from your dealer of certified repairman and will be required for disposal of such an item)

UNAUTHORIZED WASTE

The following items represent some of the items/materials that cannot be accepted at a Collection Station or Landfill: sewage (may be taken to the State Park, RV Parks or Texas Rest Areas), hazardous, industrial, infectious (medical), or radioactive waste, lead acid batters (may be taken back to where purchased) gasoline, sludge & may be brought to the landfill only), ashes, pesticides, asbestos, herbicides, ignitable, paints, petroleum products, special waste, poisons, and burned waste.

CRIMINAL PROSECUTION

No individual will be allowed to enter a Citizen Collection Station site after normal operating hours. No salvaging is allowed at any site. Littering or leaving waste or trash in any location, other than the sites listed above, is in violation of the Texas Solid Waste Disposal Act is guilty parties will be prosecuted. Any person who violates any of the rules and regulations of the Solid Waste Disposal Act is guilty of a misdemeanor; Class C – up to a fine of \$500, Class B – up to a fine of \$1,500, or Class A – up to a fine of \$3,000, and upon a second offense, may be subject to felony charges, punishable upon conviction by appropriate fines. Each day that a violation occurs constitutes a separate offense.

EXHIBIT I

COUNTY RETAINED PERSONAL PROPERTY

(TO BE PROVIDED WITHIN THIRTY DAYS)

(Initial)
Edward A. Caylor, President
Santek

(Initial)
John P. Thompson, County Judge
Polk County

EXHIBIT J
ASSIGNED CONTRACTS

2242808.3

AN INTERLOCAL GOVERNMENTAL CONTRACT

Between

SAN JACINTO COUNTY, TEXAS

And

THE POLK COUNTY WASTE MANAGEMENT CENTER

For Landfill Services

WHEREAS the Polk County Waste Management Center of Polk County, Texas owns and operates a Type I Sanitary Landfill, located 3.5 miles west of Leggett, Texas, under the Texas Natural Resource Commission Permit #1384, issued January 12, 1983, and

WHEREAS it is the stated desire of Polk County to provide these facilities, services, especially to other governmental entities through the provisions of the Interlocal Governmental Act, then . . .

THEREFORE let it be known that SAN JACINTO COUNTY, TEXAS represented by the County Judge and Commissioner's Court, herein referred to as "CUSTOMER", desires to enter into an agreement with POLK COUNTY, herein referred to as "COUNTY", for landfill services and capacity under the following terms and conditions:

SECTION 1. BASIC CONTRACTUAL AGREEMENT

BEGINNING on or before February 1, 1999, and continuing for a period of 36 months from this date, CUSTOMER agrees to purchase from COUNTY, under a "put or pay" clause, no less than 17,500 cubic yard of solid waste disposal capacity per year.

SECTION 2. STIPULATION OF RATES

BASED on the stated volume, and term of contract identified in SECTION 1 above, the CUSTOMER is eligible for a volume discount rate of \$5.75 per cubic yard, inclusive of current applicable State Fees, and subject to the following provisions:

- A. CUSTOMER agrees, under the terms of a "put or pay" clause, that for the duration of this agreement, an accounting will be produced by the COUNTY, on an annual basis, documenting the total amount of waste received from CUSTOMER and disposed of at the POLK COUNTY WASTE MANAGEMENT CENTER by the COUNTY. If the CUSTOMER has delivered a sufficient volume of waste to satisfy

the provisions of SECTION 1 of this agreement, all provisions of this agreement will apply as stated. However, if the CUSTOMER has failed to produce the volume of waste as stipulated by the terms of this agreement, CUSTOMER will pay COUNTY a sum at the end of the annual accounting period to satisfy the "put or pay" contract condition, stated herein.

- B. COUNTY makes this offer to CUSTOMER based on the current ratio of compacted waste to loose waste, i.e., CUSTOMER estimates that 75% of their total waste stream is comprised of compacted waste with the remaining 25% of their total waste stream being comprised of loose waste. CUSTOMER further agrees to pay a surcharge of \$.25 per cubic yard for all compacted waste over the anticipated 75% compacted level, with such surcharge to be calculated on an annual basis.
- C. CUSTOMER and COUNTY agree that the stated rate identified in Section 2. is inclusive of any and all State Fees applicable to the disposal of solid waste as of the date of this contract. CUSTOMER and COUNTY agree and understand that should any State Fees be increased or any other governmental fees become applicable to the disposal/ processing/ and or treatment of solid waste subject to this agreement, subsequent to the effective date of this contract, those fees will be passed through to the CUSTOMER as applicable.
- D. CUSTOMER agrees that the rates stipulated in this SECTION are applicable only to waste processed at the CUSTOMER'S solid waste collection station's and will not apply should the CUSTOMER process its waste through a transfer station.
- E. CUSTOMER agrees and understand that the COUNTY may, based on its cost of operations, increase the stated volume discount rate once within any 12 month period. Both Parties of this agreement further agree should the rate applicable to the CUSTOMER be increased more than 12.5% (twelve and one half per cent) in calendar year 1999, or more than 10.5% (ten and one half per cent) in calendar year 2000, or more than 8.5% (eight and one half per cent) in calendar year 2001, CUSTOMER has the right to cancel this contract by providing written notice to the COUNTY within 30 days of said rate adjustment.

SECTION 3. TERMS OF PAYMENT

CUSTOMER understands and agrees that the COUNTY shall bill the CUSTOMER for landfill services/capacity by the 5th of each month following the prior month's services, and payment is expected by the end of that same month. Payment not received on or before the last day of the billing month will be subject to a 1.5% (one and one half per cent) late payment penalty to be assessed and payable on the subsequent month's statement. The CUSTOMER further understands and

agrees that such late payment penalty shall be compounded each month thereafter for up to 90 days, and if full payment is not received at the end of the 90 days, Customer shall be subject to the default provisions of the contract.

COUNTY will notify CUSTOMER with each monthly statement, the total amount of waste processed for the current annual period, applicable to any "put or pay" provisions of this contract.

SECTION 4. LANDFILL FACILITY ACCESS AND SERVICE AVAILABILITY

COUNTY agrees to make the landfill facility and services available to the CUSTOMER five days a week, Monday through Friday, for a minimum of eight consecutive working hours with the exception of the following official holidays: January 1, New Years Day, a date in November appropriate for Thanksgiving Day, and December 25, Christmas Day.

COUNTY will agree to open the landfill on days other than regular operating days in cases of emergency and when special conditions/ circumstances dictate the opening, and on request of the CUSTOMER. A rate of \$500.00 per day, plus regular contract fees will be required by the COUNTY for these exceptions.

SECTION 5. ACCEPTANCE OF WASTE FOR DISPOSAL AT LANDFILL SITE

COUNTY agrees to receive the CUSTOMER'S vehicles and assist in discharging the waste onto the working face of the disposal area, without undue delay, and to insure a speedy turn around for the vehicle making the delivery.

CUSTOMER understands and agrees to fully comply with all rules, regulations, and laws governing solid waste, as imposed on said entities and their facilities by the State of Texas, the Federal Government or any other Special Jurisdiction that may have authority over the control and management of solid waste as authorized by law.

Any waste declared "unauthorized", by State or Federal laws, and not appropriate for disposal in a Type I Landfill, shall not be delivered to the County by CUSTOMER for processing or disposal.

CUSTOMER understands that Subtitle D of the Resources Conservation and Reclamation Act of 1976, requires COUNTY to conduct random waste screenings.

CUSTOMER agrees that in the event that unacceptable waste is discovered in the CUSTOMER'S load at the time of discharge, the CUSTOMER'S official representative will be notified immediately, and the CUSTOMER shall be responsible for the removal of said unauthorized waste to an appropriate facility. However, the CUSTOMER may at the CUSTOMER'S option request the COUNTY remove said unauthorized waste to an appropriate facility, with all costs associated with said removal/ processing and disposal of said unauthorized waste to be executed at the complete and total expense of the CUSTOMER.

SECTION 6. TERMINATION OF CONTRACTUAL AGREEMENT

CUSTOMER fully understands that the rates quoted in this contract exist for the mutual benefit of both parties, and that if the **CUSTOMER** chooses to terminate, default, or cancel this contract prior to the full term of this contract, except for **SECTION 3 (E)**, as agreed herein, the **CUSTOMER** must reimburse the **COUNTY** for all waste delivered from the conception of this agreement, at the full gate rate price, plus all applicable State Fees. Such termination, default, or cancellation of this contract by the **CUSTOMER** shall cause the volume long term rate offered to the **CUSTOMER** by the **COUNTY** to be rescinded, and full rates to be calculated from the beginning date of this contract. Customer agrees to pay the applicable and full gate rate, including appropriate State Fees for all previous waste delivered by **CUSTOMER** and disposed of by the **COUNTY**.

SECTION 7. RENEWAL/NONRENEWAL OF CONTRACTUAL AGREEMENT

Both Parties agree that 90 days prior to the appropriate expiration date of this contract, either party may notify the other party of its intent not to renew this contract. However by mutual agreement between both Parties this contract may be extended beyond the dates specified herein, provided both Parties enter into good faith negotiations for their mutual benefits.

SECTION 8. CONTRACT ASSIGNABILITY

It is expressly understood by the **CUSTOMER** that this contract shall not be assignable or transferable to another party, without the full knowledge of, and prior approval of the **COUNTY**.

SECTION 9. RESOLUTION OF DISPUTES

Both Parties agree that this agreement exists for the mutual benefit of both Parties, and as such a bond of trust exists between both Parties to extent said mutual benefit exists between both Parties. In the event of any misunderstanding, disagreement or dispute between the **CUSTOMER** and the **COUNTY**, both Parties agree to enter into discussions to resolve said misunderstandings, disagreements or disputes. **COUNTY** and **CUSTOMER** agree to consider any and all just requests of the other Party, and when possible, agree to seek solutions of mutual benefit without the incurring of any undue or extraordinary expenses by either Party.

SECTION 10. CONTRACTUAL CONFLICTS

If any section or part of this contract is found to be in conflict with any other part or section, or declared invalid, illegal, or unenforceable, for any reason, that section shall be subject to renegotiating and shall not disqualify or negate any other sections or provisions of this contractual agreement.

SECTION 11. CONTRACT PERFORMABILITY

The obligations and undertakings of each of the parties to this agreement shall be performable in Polk County, Texas.

Agreed to and accepted this 8th day of February, 1999.

**FOR SAN JACINTO COUNTY
(CUSTOMERS)**

**FOR POLK COUNTY
(COUNTY)**

Joe Adams
Hon. Joe Adams
County Judge

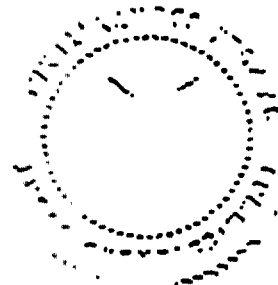
John P. Thompson
Hon. John P. Thompson
County Judge

Attest:

Attest:

Charlene Vann
County Clerk
San Jacinto County

Ruban Middleton by G. Rife
County Clerk
Polk County



**Regulatory Services
DRUG & ALCOHOL TESTING CONSORTIUM AGREEMENT**

THIS AGREEMENT is made between **Compliance Consortium Corporation**, a Texas Corporation, (Consortium) located at 201 East 2nd Avenue, Belton, Texas 76513, and **Polk County (Member)**, located at 207 West Mill, Livingston, Texas 77351.

SECTION 1
Scope of Relationship

1.1 Member

The member will provide to the consortium information required to comply with DOT regulations 49CFR, Part 382 as follows:

- A. Data on existing and new regulated employees in a timely manner.
 1. Social Security Number
 2. Full name
 3. Home telephone number
 4. Date of employment
- B. The member will make available any regulated employee, covered under this agreement, for the purpose of conducting pre-employment, unannounced random, post- accident, reasonable suspicion, return to duty, and/or follow-up alcohol and/or drug screening without reasonable delay.
- C. The member shall provide sufficient notice to the consortium for scheduling of any required alcohol and/or drug screening.
- D. In the event a regulated employee's activity triggers the requirement of an alcohol and/or drug test, the member must notify the consortium immediately.
- E. The member grants the consortium the authority to act as the member's agent to gather confidential employee test information.

1.2 Consortium

The consortium shall provide to the member the following services based on the DOT regulations as follows:

- A. All testing cost associated with random alcohol and drug testing.
- B. Certification training in reasonable suspicion for existing supervisors.
- C. Assistance in developing an alcohol and drug testing policy, if requested.
- D. Provide all regulated employee with an alcohol and drug testing information handbook.
- E. Set-up employee testing files
- F. Administration of employee compliance records
- G. Provide secured employee record retention.
- H. Positive test results documentation.

Page 2

- I. Confidential notification of positive test results.
- J. Computer generated random test selections.
- K. Random selection and record retention
- L. Set-up local collection test site.
- M. DOT 5 panel SAMSHA drug test
- N. Quarterly statistical program reports to employer
- O. Annual statistical reporting to employer and federal agencies.
- P. Blind specimen maintenance.
- Q. Additional referral services available:
 - 1. Services of a Substance Abuse Professional (SAP)
 - 2. Employee Assistance Program (EAP)
 - 3. Rehabilitation and counseling
- R. Certified Medical Review Officer (MRO)
- S. Confirmation by GC/MS
- T. Post-accident testing 24 hours a day, 7 days a week
- U. Arranging for Split Sample Testing Services, as allowed in current federal regulations and at the request of the member's participant (Note: these are additional costs to the member)

SECTION 2

Scope of Fees and Terms

2.1 Fees

- A. Scheduled Tests, (Pre-employment, Random, Post-accident, Reasonable Suspicion, Return to duty, Follow-up, and Other - DOT Regulated and Non-Regulated Tests)
 - 1. Urine Drug Screen (GC/MS Confirmed included).....\$57.00 per test
 - 2. Alcohol Breath Test\$36.00 per test

Payment Terms

Invoicing will be generated on a monthly basis and will be due in full 30 days after receipt of invoice.

Invoices that are 30 days past due will be assessed a service charge of 10% apr.

In the event your account becomes past due and is sent to an outside agency to be collected you will be charged the collection fees in addition to the amount of the past due invoices and applicable service charges.

This agreement shall remained in effect for a period of 12 months following the date of execution. The agreement shall automatically renew at the end of its term unless revised or terminated by either party in writing 30 days prior to the end of the term date.

POLK COUNTY

Signature John P. Thompson, County Judge Title

November 13, 2001
Date

COMPLIANCE CONSORTIUM CORPORATION

President/CEO

Signature _____ Title

Date

Item # 12

SAM HOUSTON ELECTRIC COOPERATIVE, INC. EASEMENT

COPY

POLK CO. ENVIRONMENTAL SERV. KNOW ALL PERSONS BY THESE PRESENTS: ACCE 187012

THE STATE OF TEXAS THE COUNTY OF Polk THAT, County of Polk

referred to herein as "Grantor" (whether one or more), for and in consideration of the sum of ONE DOLLAR (\$1.00) and other good and valuable consideration to Grantor in hand paid by SAM HOUSTON ELECTRIC COOPERATIVE, INC., referred to herein as "Grantee", a corporation duly incorporated and existing under the laws of the State of Texas, the receipt and sufficiency of which are hereby acknowledged and confessed, have GRANTED, SOLD and CONVEYED, and by these presents do hereby GRANT, SELL and CONVEY, unto the said Grantee, an easement and right-of-way for the purpose of erecting, constructing, reconstructing, operating, inspecting, replacing, repairing, patrolling, removing and perpetually maintaining (i) a line of poles (whether wood, metallic or otherwise) with lines of wires, crossarms, guy wires, conduits, stubs and other usual fixtures and property for the erection, construction, maintenance and operation of an electric distribution system, either overhead or underlying, together with all necessary anchors and braces to properly support same, and/or (ii) an underground electric distribution system upon, under, over and across the real property described as follows, (such real property the subject of such easement being hereinafter sometimes called the "Easement Strip"), to-wit:

Lot(s) _____, in Block _____, of Section _____, of the _____ Subdivision in _____ County, Texas, according to the map or plat thereof recorded in the Real Property Records of said County, to which map or plat and its recording reference is hereby made for all intents and purposes. Unless the centerline location of said easement is described upon Exhibit "_____" attached hereto, then the centerline location of said easement will be permanently fixed once said electric distribution line(s) is (are) constructed, and the course and location of said centerline shall not be changed without the consent of Grantor.

Being a strip of land TWENTY feet (20) in width, out of that certain 70.769 acre(s) of land situated upon the W. M. Johns Survey(s) in Polk County, Texas, and being the same real property described in that certain document, dated 27th of March, 19 87, and recorded in Volume 598, Page 890 et seq of the Real Property Records of Polk County, Texas, to which document and its recording reference is hereby made for all intents and purposes. Unless the centerline location of said easement is described upon Exhibit "_____" attached hereto, then the centerline location of said easement will be permanently fixed once said electric distribution line(s) is (are) constructed, and the course and location of said centerline shall not be changed without the consent of Grantor.

TO HAVE AND TO HOLD the above described easement and right-of-way unto Grantee, and Grantee's successors and assigns, together with the right and privilege at any and all times to enter upon the Easement Strip, or any part thereof, for the purpose of operating, constructing, inspecting, replacing, repairing, removing, reconstructing, and maintaining said utility line or lines, and for making connections therewith, all subject to the provisions hereof; and Grantor does hereby bind Grantor, and Grantor's heirs, personal representatives and successors, to WARRANT AND FOREVER DEFEND, all and singular, the said easement and right-of-way unto the said Grantee, and Grantee's successors and assigns, against every person whomsoever lawfully claiming or to claim the same or any part thereof.

Grantor acknowledges, represents and warrants to Grantee that (i) Grantor is the owner of good and marketable title to the fee simple of the Easement Strip, (ii) Grantor has the unqualified right to grant the privileges herein contained, and (iii) there are no liens or financial encumbrances against the Easement Strip except as specifically set forth below, to-wit:

If a lienholder is named above, then such lienholder joins in the execution hereof to subordinate, and by these presents such lienholder does hereby subordinate, all liens and rights held by such lienholder in connection with any indebtedness secured, in whole or in part, by the Easement Strip to the easement and other related rights conveyed by Grantor to Grantee pursuant hereto.

Grantor hereby grants unto Grantee, its successors and assigns, the right at any time and all times to trim or remove, or otherwise control, without further payment therefore, all trees and underbrush or other obstructions within the Easement Strip lying 12 feet on each side of said centerline insofar as same may be embraced within said tract and to trim or remove such hazardous trees on any adjacent land as in the judgement of said Grantee would interfere with or endanger said Grantee's line(s) or the operation thereof.

Grantor reserves unto himself, and Grantor's heirs and assigns, all of Grantor's present interest in and to all oil, gas and other minerals in or under the Easement Strip. It is expressly understood and agreed that Grantor shall not be permitted to drill or operate for oil, gas and other minerals on the Easement Strip, but Grantor shall be permitted to extract any oil, gas and other non-surface minerals from and under the Easement Strip by directional drilling or other means not involving the surface of the Easement Strip.

Grantor expressly reserves unto himself, and his heirs and assigns, the right to use and enjoy the land covered by the Easement Strip for any purposes whatsoever, except insofar as said use and enjoyment interferes with the rights hereby granted to Grantee; provided, however, in no event shall Grantor have the right to place permanent buildings or structures upon the area covered by the Easement Strip.

In the event of any interference or threatened interference with the easement or easement rights herein granted or with the other rights and obligations of the parties hereunder, such easement and such rights and obligations may be enforced by restraining orders and injunctions (temporary or permanent) prohibiting such interference and commanding compliance with the provisions hereof, which restraining orders and injunctions shall be obtainable upon proof of the existence of such interference or threatened interference, and without the necessity of proof of inadequacy of legal remedies or irreparable harm, and shall be obtainable by one or more persons or parties the subject of this agreement, or their respective successors, heirs, personal representatives or assigns, or that are benefited hereby; provided, however, nothing herein shall be deemed to be an election of remedies or a waiver of any other rights or remedies available at law or in equity.

It is understood and agreed that this agreement is an easement only and in no way grants or conveys any part of the underlying fee simple estate of any lands owned by Grantor.

Recognizing that the parties hereto may find it necessary from time to time to establish to lenders, mortgagees, purchasers, or other parties of the then current status of this Easement Strip, each party bound or benefited by this agreement agrees, upon written request, that he, she or it will, from time to time, with reasonable promptness, furnish a written statement in recordable form on the status of any matter relating to this agreement.

Pursuit of any remedies described herein shall not preclude pursuit of any other remedies provided in this Easement or any other remedies provided by law. No waiver of any violation shall be deemed or construed to constitute a waiver of any other violation or breach of any of the terms, provisions, and covenants contained in this Easement and forbearance to enforce one or more of the remedies provided upon an event of default shall not be deemed or construed to constitute a waiver of such default.

If any action at law or in equity, including an action for declaratory relief, is brought to enforce or interpret the provisions of this agreement, the prevailing party shall be entitled to recover reasonable attorney's fees from the other party, which fees may be set by the court in the trial of such action or may be enforced in a separate action brought for that purpose, and which fees shall be in addition to any other relief which may be awarded.

This agreement supercedes any and all other agreements, either oral or in writing, between the parties hereto with respect to the subject matter hereof and contains all of the covenants and agreements between the parties with respect to said matter. Each party to this agreement acknowledges that no representations, inducements, promises, or agreements, orally or otherwise, have been made by any party, or anyone acting on behalf of any party, which are not embodied herein, and that no other agreement, statement, or promise not contained in this agreement shall be valid or binding.

This agreement and all of the terms, provisions and obligations hereof shall be covenants running with the land affected thereby and shall inure to the benefit of and be binding upon Grantor and Grantee and their respective heirs, personal representatives, successors and assigns.

Executed on the dates of the acknowledgements of the parties as set forth below.

John P. Thompson Polk County Judge

(Signature of Grantor) (Printed Name of Grantor)

(Signature of Lienholder) (Printed Name of Lienholder)

Sam Houston Electric Cooperative, Inc. requires an Easement form for the following reasons:

To run flare stack pump at north side of landfill.

The Easement will be recorded at the courthouse in the county where the property is located. It is very important that the form be filled out correctly and completely, to insure that there won't be further delays in the Cooperative performing the necessary work on the property. The information to complete the Easement can be obtained from the county clerk's office, your property deed, or possibly from your property tax receipt. After completion, please return the form in the enclosed envelope. If you have any questions, please don't hesitate to call our office, and we will be happy to assist you.

INSTRUCTIONS FOR COMPLETING EASEMENT FORM

Definition: GRANTOR/GRANTORS - The person(s) who has TITLE to the property.

1. Must be filled out in black or dark blue ink.
2. County where property is located.
3. Full and complete name of Grantor(s), AND City and State of Grantor's(s) residence. You should also have your spouse sign the easement as a Grantor even if the spouse's name is not on your deed, due to Texas' homestead and community property laws. The name(s) must match exactly with the name(s) on the property deed.
4. If property is located in a recorded subdivision, list the Lot Number, and/or Block Number, and/or Section Number, and Subdivision Name.

OR

Size of property acreage as listed on property deed. (Example: 0.42 Acres)
5. County where property is located.
6. Name of Survey and Abstract Number as it appears on recorded deed. (Example: R.L. Polk Survey; A-247) (Not the person that surveyed your property)
7. A. Date of your deed (Date you acquired property).
B. Volume and Page Number as listed on recorded deed (Volume and page of property as transferred to you).
8. A. County where deed to property is recorded.
B. All attachments and exhibits must be approved by SHECO.
9. Name any person(s), bank, savings and loan, or other entity or entities that have a lien or liens on your property.
10. A. Signature of Grantor(s). Printed name of Grantor(s) below each signature.
B. Signature of any lienholder(s) named in #9. Printed name of lienholder(s) below each signature.
11. County where your signature(s) was notarized.
12. Date your signature(s) was notarized.
13. Name of Grantor(s) and spouse exactly as shown in Item #3.
14. Signature of notary. Be sure that your notary's seal contains (i) the printed name of the notary and (ii) the date the notary's commission expires. If your notary's seal does not contain these items, then such notary is not in compliance with current Texas law and you must find another notary whose seal is in compliance with current State law.
15. Use this acknowledgement for the lienholder. If the lienholder is a bank, savings and loan, corporation, or any other type of entity, have the notary change the acknowledgement to conform to such entity.
16. Use this acknowledgement if Grantor is not a natural person, such as a corporation, bank, savings and loan, church, etc.
17. To be filled out by SHECO.

POLK COUNTY
By Bill Law, County Auditor

Budget Revision #2001-28 FY01
November 13, 2001

Handwritten: H # 13

Fund Account	Description	Increase	Decrease	Comments	Budget	Amended Budget	Net Change
010-510-330	Furnished Transportation		241.00	To cover actual expense	900.00	659.00	-241.00
010-510-300	Uniforms	241.00			1,500.00	1,741.00	241.00
010-330-555	Local Law Enforcement Bik Grant FY01	-11,280.00		LLEBG Grant funds	0.00	11,280.00	11,280.00
010-560-574	LLEBG Computers	11,280.00		Purchase computers	0.00	11,280.00	11,280.00
010-560-480	Bonds/Liability Insurance		156.00	To cover actual expense	45,000.00	39,583.00	-5,417.00
010-560-463	Tower Rent	156.00		To cover actual expense	1,872.00	2,028.00	156.00
010-370-084	Transfer From Big Thicket Lake Project	-4,775.19		Balance of county contribution	0.00	4,775.19	4,775.19
015-370-010	Transfer from General Fund	-2,800.00		To cover Taylor Lake project expenses	0.00	-2,800.00	-2,800.00
019-621-341	Taylor Lake Road Relocation Project	2,800.00			0.00	3,439.50	3,439.50
		<u>-4,378.19</u>	<u>397.00</u>	Diff due to excess revenue from BTLE			

Approved By:

Date:

11/13

POLK COUNTY
By: Bill Law, County Auditor

Budget Revision
#2001-28a

November 13, 2001

Fund Account	Description	Increase	Decrease	Comments	Original Budget	Amended Budget	Net Change
010-271-000	Fund Balance		8,526.01	To cover expenses	45,000.00	49,720.00	4,720.00
010-428-400	Attorney Fees	470.00		To cover actual expenses	24,000.00	24,721.00	721.00
010-435-485	Petit Jurors	721.00			16,000.00	16,628.00	628.00
010-630-411	Pauper Care/Lunacy	300.00			5,000.00	10,217.00	5,217.00
010-691-400	Crime Stoppers	1716.75			26,000.00	30,458.26	4,458.26
010-691-405	Autopsies	4,458.26			10,000.00	13,360.00	3,360.00
010-696-405	Employee Physicals	660.00			50,000.00	44,776.00	-5,224.00
010-409-440	Copy/Postage Expense	4,482.00	5,224.00	To cover expenses	138,000.00	234,159.50	96,159.50
010-409-442	Electricity	742.00		To cover actual expense	25,000.00	33,077.00	8,077.00
	Water						
		<u>13,750.01</u>	<u>13,750.01</u>				

Shaded area above is typo correction

Approved By:
Date:

11/13
 POLK COUNTY
 By: Bill Law, County Auditor

November 13, 2001

BUDGET REVISION
 #2002-03

Fund Account	Description	Increase	Decrease	Comments	Original Budget	Amended Budget	Net Change
010-271-000	Fund Balance		2,466.38	To cover lease expense of imaging equipment			
010-495-572	Office Equipment	557.80			0.00	557.80	557.80
010-497-572	Office Equipment	557.79			0.00	557.79	557.79
010-698-572	Office Equipment	557.79			0.00	557.79	557.79
010-665-105	Salaries	795.00		To cover cost of living increase			
010-665-490	4H Equipment supplies		2,500.00	per request Ag Agent	49,601.79	50,396.79	795.00
010-665-572	Office Equipment	2,500.00		per request Ag Agent	4,000.00	1,500.00	-2,500.00
					3,500.00	6,000.00	2,500.00
							0.00
015-271-000	Fund Balance		2,710.00	To cover Survey Bill			
015-610-490	Miscellaneous	2,710.00		To cover Survey Bill	0.00	2,710.00	2,710.00
015-369-100	Road Repair Reimbursement	-2,000.00		Oak Terrace Subdivision	0.00	2,710.00	5,260.00
015-621-339	Construction/material	2,000.00		Material Reimbursement	60,500.00	5,260.00	5,260.00
015-369-200	Road Repair Reimbursement	-25,940.10		Reimbursement by subdivisions	0.00	25,940.10	25,940.10
015-622-339	Construction/materials	19,164.48		Twin Hills	0.00	19,164.48	19,164.48
015-622-339	Construction/materials	2,593.91		Lake Livingston Inc Annex B	92,000.00	113,758.39	21,758.39
015-622-339	Construction/materials	5,187.81		Lake Livingston Estates #4	92,000.00	118,946.20	26,946.20
015-622-339	Construction/materials	2,593.90		Lake Livingston, Estates #5	92,000.00	121,540.00	29,540.00
015-622-337	Material/Supplies		535.75	per Commissioner Smith request	17,500.00	16,964.25	-535.75
015-622-573	Capital Outlay	535.75		per Commissioner Smith request	0.00	2,230.75	2,230.75

Shaded areas above are typo corrections

11,814.13 Difference to charge fund balance

Approved By:
 Date:

SCHEDULE OF BILLS BY FUND

FUND DESCRIPTION	DISBURSEMENTS
092 AVAILABLE SCHOOL FUND ACCT	8,074.62
TOTAL OF ALL FUNDS	8,074.62

THE PRECEDING LIST OF BILLS PAYABLE WAS REVIEWED AND APPROVED FOR PAYMENT

M. H. LAM 

COUNTY AUDITOR

JOHN P. THOMPSON 

COUNTY JUDGE

11/10/11

FY02

SCHEDULE OF BILLS BY FUND

FUND DESCRIPTION	DISBURSEMENTS
051 AGING DEPT	689.21
TOTAL OF ALL FUNDS	689.21

THE PRECEDING LIST OF BILLS PAYABLE WAS REVIEWED AND APPROVED FOR PAYMENT

W. H. Lam

W. H. LAM

COUNTY AUDITOR

JOHN P. THOMPSON

COUNTY JUDGE

John P. Thompson

CHECK # 000201


BANK ACCT AVAILSCH 10/23/2001 \$6,511.61
 *** VOID *** VOID *** VOID *** VOID *** VOID *** VOID ***
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*****6.511 61

BIG SANDY I. S. D.
 P. O. BOX 188
 DALLAROSVILLE TX 77332

CHECK # 000201

092-699-489 AVAILABLE SCHOOL FUND A 1999-2 6,511.61
 *** VOID *** VOID *** VOID *** VOID *** VOID *** VOID ***
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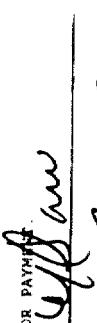


SCHEDULE OF BILLS BY FUND

FUND DESCRIPTION	DISBURSEMENTS
912 ELECTED OFFICIALS FEE ACCOUNTS	5,134.00
TOTAL OF ALL FUNDS	5,134.00

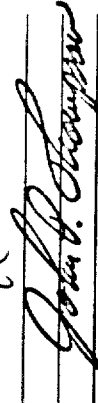
THE PRECEDING LIST OF BILLS PAYABLE WAS REVIEWED AND APPROVED FOR PAYMENT.

W. H. LAW



COUNTY AUDITOR

JOHN P. THOMPSON



COUNTY JUDGE

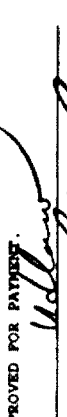
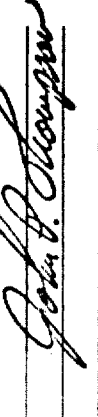
lph
3/2/01

SCHEDULE OF BILLS BY FUND

FUND DESCRIPTION	DISBURSEMENTS
051 AGING DEPT	161.00
TOTAL OF ALL FUNDS	161.00

THE PRECEDING LIST OF BILLS PAYABLE WAS REVIEWED AND APPROVED FOR PAYMENT.

W. H. LAW
 COUNTY AUDITOR
 JOHN P. THOMPSON
 COUNTY JUDGE

CHECK # 161606

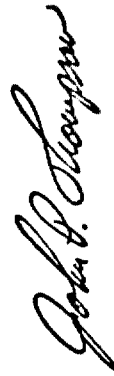
BANK ACCT PAID 10/23/80 550 00
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 *****50 00

GRAYSON COUNTY CONSTABLE
BOX 895

VAN ALSTYNE TX 75495

CHECK # 161606

010-325-801 GENERAL FUND DCFEE 50.00
 *** VOID *** VOID *** VOID *** VOID *** VOID *** VOID *** VOID ***
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CHECK # 163261

BANK ACCT. MAIN
 10/23/2001
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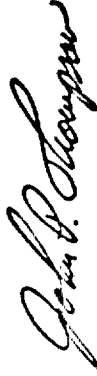
*****50 00

HARDIN COUNTY S. O.
P.O. BOX 1990

KOUNTZE TX 77625

CHECK # 163261

010-325-801 GENERAL FUND DC FEE 50.00
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CHECK # 163555

BANK ACCT PAID
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 10765 2001
 \$50.00
 *****50 00

BRAZORIA COUNTY CONSTABLE OFFICE

111 N 10TH STREET
WEST COLUMBIZ TX 77486

CHECK # 163555

010-325-801 GENERAL FUND
 *** VOID *** VOID *** VOID *** VOID *** VOID *** VOID *** VOID ***
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 OFFEE 50.00



CHECK # 163744

BANK ACCT.NUMR 10/25/2001 \$75.00
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*****75 00

TEXAS ENVIRONMENTAL LAW ENFORCEMENT
ASSOC
P.O. BOX 855
COMRCE TX 77305-0855

CHECK # 163744

032-595-427 ENVIRONMENTAL SERVICES REGIST 75.00
*** VOID *** VOID *** VOID *** VOID *** VOID *** VOID ***
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FY02

1/21/01

SCHEDULE OF BILLS BY FUND

FUND DESCRIPTION	DISBURSEMENTS
010 GENERAL FUND	2,849.65
015 ROAD & BRIDGE ADM	872.75
049 DISTRICT ATTY HOT CHECK FUND	187.04
051 AGING DEPT	183.90
090 DRUG FORFEITURE FUND	1,315.00
TOTAL OF ALL FUNDS	5,408.34

THE PRECEDING LIST OF BILLS PAYABLE WAS REVIEWED AND APPROVED FOR PAYMENT.

W. H. LAW
 COUNTY AUDITOR
 JOHN P. THOMPSON
 COUNTY JUDGE

William H. Law
John P. Thompson

10/17

VOL.

47 PAGE 1702

10/17/91
10/17

SCHEDULE OF BILLS BY FUND

FUND DESCRIPTION	DISBURSEMENTS
010 GENERAL FUND	9,399.26
015 ROAD & BRIDGE ADM	4,340.47
027 SECURITY FUND	35.16
032 ENVIRONMENTAL SERVICES	372.77
048 DISTRICT ATTY SPECIAL FUND	22.04
051 AGING DEPT	313.40
083 MUSEUM OPERATING FUND	10.89
101 ADULT SUPERVISION	826.43
104 DTP - CSR	9.72
108 CCP - SURVEILLANCE	47.22
109 SPECIALIZED CASELOAD CCP	44.04
184 JUVENILE PROBATION	117.77
185 CCAP - JUVENILE PROBATION	270.54
TOTAL OF ALL FUNDS	15,814.71

THE PRECEDING LIST OF BILLS PAYABLE WAS REVIEWED AND APPROVED FOR PAYMENT.

W. H. LAW

COUNTY AUDITOR

JOHN P. THOMPSON

COUNTY JUDGE

John P. Thompson
John P. Thompson

For Sale!

DATE 10/25/2001 ELECTRONIC FEDERAL TAX PAYMENTS VCH011 PAGE 1

REF #	VEN #	VENDOR NAME	AMOUNT
ACH212		FIRST STATE BANK	\$57,106.64
ACH213		POLK CO PAYROLL ACCT	\$196,387.06
TOTAL AMOUNT			\$263,493.70

John P. Thompson

fy01

10/11/01

SCHEDULE OF BILLS BY FUND

FUND DESCRIPTION	DISBURSEMENTS
010 GENERAL FUND	7,835.72
015 ROAD & BRIDGE ADM	6,765.53
027 SECURITY FUND	6.51
032 ENVIRONMENTAL SERVICES	2,182.58
048 DISTRICT ATTY SPECIAL FUND	3.95
051 AGING DEPT	1,449.04
184 JUVENILE PROBATION	50.11
185 CCAP - JUVENILE PROBATION	140.92
TOTAL OF ALL FUNDS	18,434.36

THE PRECEDING LIST OF BILLS PAYABLE WAS REVIEWED AND APPROVED FOR PAYMENT

W. H. LAW



COUNTY AUDITOR

JOHN P. THOMPSON



COUNTY JUDGE

10/24/01
E.C.M.

1002-2001

SCHEDULE OF BILLS BY FUND

FUND DESCRIPTION	DISBURSEMENTS
010 GENERAL FUND	6,394.57
015 ROAD & BRIDGE ADM	1,349.55
027 SECURITY FUND	30.00
032 ENVIRONMENTAL SERVICES	215.58
051 AGING DEPT	25.00
101 ADULT SUPERVISION	1,333.45
108 CCP - SURVEILLANCE	288.01
184 JUVENILE PROBATION	83.34
185 CCAP - JUVENILE PROBATION	526.36
TOTAL OF ALL FUNDS	10,245.83

THE PRECEDING LIST OF BILLS PAYABLE WAS REVIEWED AND APPROVED FOR PAYMENT

M. H. LAM

COUNTY AUDITOR

JOHN P. THOMPSON

COUNTY JUDGE

M. H. Lam
John P. Thompson

VOL.

47 PAGE 1706

fy02

10/26/01

VCH011 PAGE 1

ELECTRONIC FEDERAL TAX PAYMENTS

10/26/2001

AMOUNT

REF # VEN # VENDOR NAME

\$42,521.61

STATE COMPTROLLER OF PUBLIC AC

ACH214

TOTAL AMOUNT \$42,521.61

John D. Thompson

PAYMENT VOUCHER

POLK COUNTY, TEXAS
LIVINGSTON, TEXAS

VEND # 48

TO: STATE COMPTROLLER

ADDRESS: _____

CITY, ST, ZIP: _____

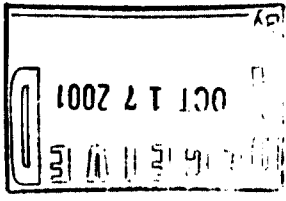
DATE: 10/02/01

DATE	ACCT-CUST NO	INVOICE	AMOUNT	CODE	
10/16/2001	STATE FINES	ARREST FEES	1,690.70	088-207-100	✓
		CVC	15,381.78	088-207-200	✓
		JCPT	1,670.19	088-207-400	✓
		JPD	220.50	088-207-385	✓
		CR	13.50	088-207-300	✓
		CRIME STOPPERS	8.55	088-207-300	✓
		CJP	121.50	088-207-350	✓
		LEMI	8.55	088-207-450	✓
		TLFTA	1,069.00	088-207-475	✓
		LEOA	13.50	088-207-750	✓
		LEOCE	39.60	088-207-500	✓
		GR	49.05	088-207-550	✓
		OCL	202.50	088-207-600	✓
		CCC	17,461.35	088-207-275	✓
		FA	4,338.68	088-207-175	✓
		JCD	213.08	088-207-375	
		JCD	19.58	088-207-390	
		TOTALS	42,521.61		

POSTED

APPROVED BY: _____
COUNTY AUDITOR

DATE APPR: _____



REQUESTED BY: Nola Reneau
COUNTY OFFICIAL

BY: _____
COUNTY JUDGE

DO NOT WRITE IN SHADED AREAS

STATE COURT COSTS AND ARREST FEES

COUNTY QUARTERLY REPORT - (This report must be filed by the due date even if no payment is due.)

c. County identification number: **++ 1-74-6001621-9**
 f. Report for quarter ending: **08-31-2001**
 g. **013**
 e. Due date of report: **10-31-2001**

d. County name and mailing address:
**NOLA RENEAU
 POLK COUNTY
 TREASURE'S OFFICE
 LIVINGSTON TX 77351**

If any information preprinted on this form is incorrect, cross out the incorrect information and write in the correct information.

h.
 i.
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DESCRIPTION — SEE BACK FOR INSTRUCTIONS —	Column 1 TOTAL COLLECTED	Column 2 SERVICE FEE (10% of Column 1)	Column 3 AMOUNT DUE STATE (Col 1 minus Col 2)
--	-----------------------------	--	---

PART I - See instructions for Part I.

1. Arrest Fees (See instructions for Item 1)	\$ 1,690.70		1 \$ 1,690.70
2. Compensation to Victims of Crime (CVC)	17,090.87	1,709.09	2 15,381.78
3. Judicial and Court Personnel Training (JCPT)	1,855.77	185.58	3 1,670.19
4. Juror Donations - Compensation to Victims of Crime			4
5. Juvenile Probation Diversion (JPD)	245.00	24.50	5 220.50
6. FTA fee (See instructions for Item 6)	1,069.00		6 1,069.00

PART II - For offenses committed BEFORE September 1, 1997 ONLY.

7. Abused Children's Fund			7
8. Breath Alcohol Testing (BAT) (See instructions for Item 8)			8
9. Comprehensive Rehabilitation (CR)	15.00	1.50	9 13.50
10. Crime Stoppers Fund (CSA)	9.50	.95	10 8.55
11. Criminal Justice Planning (CJP)	135.00	13.50	11 121.50
12. Law Enforcement Management Institute (LEMI) - \$0.50	9.50	.95	12 8.55
13. Law Enforcement Officer Administrative (LEOA) - \$1	15.00	1.50	13 13.50
14. Law Enforcement Officers Continuing Education (LEOCE) - \$2	44.00	4.40	14 39.60
15. Misdemeanor Court Cost - General Revenue (GR)	54.50	5.45	15 49.05
16. Operator's and Chauffeur's License (OCL)	225.00	22.50	16 202.50

PART III - For offenses committed ON or AFTER September 1, 1997 ONLY.

17. Consolidated Court Costs (CCC) (See instructions)	19,401.50	1,940.15	17 17,461.35
18. Fugitive Apprehension (FA) (See instructions)	4,820.75	482.07	18 4,338.68
19. Prevention of Juvenile Crime and Delinquency (JCD) (See instructions)	258.50		19 232.66
20. TOTAL DUE FOR THIS PERIOD (Total of Items 1-19 in Column 3)			20 42,521.61

POSTED

*** DO NOT DETACH ***

EFT PAYOR

21. TOTAL AMOUNT DUE AND PAYABLE (Same as Item 20) 21 42,521.61

County name: **POLK COUNTY**

T Code: **38020** County identification no: **17460016219** Period: **013 8**

For assistance call 1-800-531-5441, Ext. 3-4278, toll free nationwide, or call 512-463-4276 (From a Telecommunications Device for the Deaf (TDD), call 1-800-248-4099 toll free, or call 512-463-4621.)

Complete this report and make the amount in Item 21 payable to:
 STATE COMPTROLLER

Mail to: COMPTROLLER OF PUBLIC ACCOUNTS
 111 E. 17th Street
 Austin, Texas 78774-0100

I (Type or print name) **Nola Reneau** certify that the information above is true as shown in the records of the treasury of the county named **Polk County**
 Authorized agent
 sign here **Nola Reneau**
 Title **Treasurer** Date **10/16/01**
 Daytime phone (Area code and number) **(936) 327-6816**

COPY

SCHEDULE OF BILLS BY FUND

FUND DESCRIPTION	DISBURSEMENTS
010 GENERAL FUND	11,166.93
015 ROAD & BRIDGE ADM	1,000.20
027 SECURITY FUND	11.95
032 ENVIRONMENTAL SERVICES	254.75
049 DISTRICT ATTY HOT CHECK FUND	108.97
051 AGING DEPT	21.27
061 DEBT SERVICE FUND	68,092.19
088 JUDICIARY FUND	13,308.68
090 DRUG FORFEITURE FUND	704.00
093 CO CLERK RECORDS MGMT FUND	12.95
TOTAL OF ALL FUNDS	94,681.89

THE PRECEDING LIST OF BILLS PAYABLE WAS REVIEWED AND APPROVED FOR PAYMENT

W. H. Law

W. H. LAW

COUNTY AUDITOR

John P. Thompson

JOHN P. THOMPSON

COUNTY JUDGE

SCHEDULE OF BILLS BY FUND

FUND DESCRIPTION	DISBURSEMENTS
012 ELECTED OFFICIALS FEE ACCOUNTS	4,854.75
TOTAL OF ALL FUNDS	4,854.75

THE PRECEDING LIST OF BILLS PAYABLE WAS REVIEWED AND APPROVED FOR PAYMENT.

W. H. LAW

COUNTY AUDITOR

JOHN P. THOMPSON

COUNTY JUDGE

William H. Law
John P. Thompson

COPIES
1/1/11
1/1/11

fy 02

SCHEDULE OF BILLS BY FUND

FUND DESCRIPTION	DISBURSEMENTS
010 GENERAL FUND	2,569.16
015 ROAD & BRIDGE ADM	659.50
027 SECURITY FUND	10.00
032 ENVIRONMENTAL SERVICES	10.00
051 AGING DEPT	115.75
101 ADULT SUPERVISION	119.50
108 CCP - SURVEILLANCE	68.00
104 JUVENILE PROBATION	10.00
185 CCAP - JUVENILE PROBATION	98.00
TOTAL OF ALL FUNDS	3,659.85

THE PRECEDING LIST OF BILLS PAYABLE WAS REVIEWED AND APPROVED FOR PAYMENT.

W. H. LAW

COUNTY AUDITOR

JOHN P. THOMPSON

COUNTY JUDGE

W. H. Law
John P. Thompson

fy 01

10/20/34

SCHEDULE OF BILLS BY FUND

FUND DESCRIPTION	DISBURSEMENTS
010 GENERAL FUND	11,863.02
015 ROAD & BRIDGE ADM	4,959.75
032 ENVIRONMENTAL SERVICES	3,781.01
049 DISTRICT ATTY HOT CHECK FUND	166.64
051 AGING DEPT	1,510.00
090 DRUG FORFEITURE FUND	1,425.00
TOTAL OF ALL FUNDS	23,705.42

THE PRECEDING LIST OF BILLS PAYABLE WAS REVIEWED AND APPROVED FOR PAYMENT.

W. H. LAW
 COUNTY AUDITOR
 JOHN P. THOMPSON
 COUNTY JUDGE

William H. Law
John P. Thompson

11/12

SCHEDULE OF BILLS BY FUND

FUND DESCRIPTION	DISBURSEMENTS
010 GENERAL FUND	31,972.17
015 ROAD & BRIDGE ADM	4,169.16
032 ENVIRONMENTAL SERVICES	4,710.54
049 DISTRICT ATTY HOT CHECK FUND	8.88
051 AGING DEPT	6,013.04
093 CO CLERK RECORDS MGMT FUND	49.99
TOTAL OF ALL FUNDS	48,923.78

THE PRECEDING LIST OF BILLS PAYABLE WAS REVIEWED AND APPROVED FOR PAYMENT.

W. H. LAW

William H. Law

COUNTY AUDITOR

JOHN P. THOMPSON

John P. Thompson

COUNTY JUDGE

CHECK # 163415

BANK ACCT. MAIN. 10/30/2001 \$4.97
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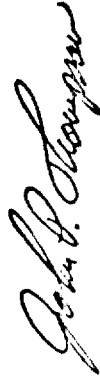
*****4 97

BOLLIER PLUMBING SERVICE

BOX 997
ONALASKA TX 77360

CHEEN # 163415

015-622-237 ROAD & BRIDGE ADM 12776 4.97
*** VOID *** VOID *** VOID *** VOID *** VOID *** VOID *** VOID ***
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SCHEDULE OF BILLS BY FUND

FUND DESCRIPTION	DISBURSEMENTS
051 AGING DEPT	273.75
TOTAL OF ALL FUNDS	273.75

THE PRECEDING LIST OF BILLS PAYABLE WAS REVIEWED AND APPROVED FOR PAYMENT:

W. H. LAM
 COUNTY AUDITOR
 JOHN P. THOMPSON
 COUNTY JUDGE

William H. Lam
John P. Thompson

FY02

VOL.

47 PAGE 1716

SCHEDULE OF BILLS BY FUND

FUND DESCRIPTION	DISBURSEMENTS
028 POLK COUNTY HISTORICAL COMM	39.75
TOTAL OF ALL FUNDS	39.75

THE PRECEDING LIST OF BILLS PAYABLE WAS REVIEWED AND APPROVED FOR PAYMENT.

W. H. LAW
 COUNTY AUDITOR
 JOHN P. THOMPSON
 COUNTY JUDGE

William H. Law

John P. Thompson

FY02

10/23/01

SCHEDULE OF BILLS BY FUND

FUND DESCRIPTION	DISBURSEMENTS
010 GENERAL FUND	3,597.76
015 ROAD & BRIDGE ADM	18,501.53
027 SECURITY FUND	25.00
032 ENVIRONMENTAL SERVICES	749.07
TOTAL OF ALL FUNDS	22,873.36

THE PRECEDING LIST OF BILLS PAYABLE WAS REVIEWED AND APPROVED FOR PAYMENT.

W. H. LAW

COUNTY AUDITOR

JOHN P. THOMPSON

COUNTY JUDGE

William H. Law
John P. Thompson

7/02

VOL.

SCHEDULE OF BILLS BY FUND

FUND DESCRIPTION	DISBURSEMENTS
010 GENERAL FUND	41,945.46
015 ROAD & BRIDGE ADM	11,176.39
027 SECURITY FUND	396.24
032 ENVIRONMENTAL SERVICES	2,861.40
048 DISTRICT ATTY SPECIAL FUND	1,343.78
051 AGING DEPT	1,788.46
083 MUSEUM OPERATING FUND	97.10
101 ADULT SUPERVISION	6,924.59
108 CCP - SURVEILLANCE	811.38
109 SPECIALIZED CASELOAD CCP	369.02
184 JUVENILE PROBATION	857.57
185 CCAP - JUVENILE PROBATION	2,696.14
TOTAL OF ALL FUNDS	71,277.63

THE PRECEDING LIST OF BILLS PAYABLE WAS REVIEWED AND APPROVED FOR PAYMENT.

W. H. LAW

COUNTY AUDITOR

JOHN P. THOMPSON

COUNTY JUDGE

William H. Law
John P. Thompson

Spd

SCHEDULE OF BILLS BY FUND

FUND DESCRIPTION	DISBURSEMENTS
010 GENERAL FUND	73,164.98
015 ROAD & BRIDGE ADM	18,451.97
027 SECURITY FUND	400.28
032 ENVIRONMENTAL SERVICES	3,531.63
051 AGING DEPT	800.56
101 ADULT SUPERVISION	9,035.97
108 CCP - SURVEILLANCE	1,129.95
109 SPECIALIZED CASELOAD CCP	400.28
184 JUVENILE PROBATION	800.56
185 CCAP - JUVENILE PROBATION	3,230.98
TOTAL OF ALL FUNDS	110,947.16

THE PRECEDING LIST OF BILLS PAYABLE WAS REVIEWED AND APPROVED FOR PAYMENT.

W. H. LAW
 COUNTY AUDITOR

JOHN P. THOMPSON
 COUNTY JUDGE

William H. Law

John P. Thompson

fy 02

SCHEDULE OF BILLS BY FUND

FUND DESCRIPTION	DISBURSEMENTS
012 ELECTED OFFICIALS FEE ACCOUNTS	3,499.00
TOTAL OF ALL FUNDS	3,499.00

THE PRECEDING LIST OF BILLS PAYABLE WAS REVIEWED AND APPROVED FOR PAYMENT

M. H. Law

 M. H. LAW
 COUNTY AUDITOR

John P. Thompson

 JOHN P. THOMPSON
 COUNTY JUDGE

4402

11/25/11

SCHEDULE OF BILLS BY FUND

FUND DESCRIPTION	DISBURSEMENTS
051 AGING DEPT	73.35
TOTAL OF ALL FUNDS	73.35

THE PRECEDING LIST OF BILLS PAYABLE WAS REVIEWED AND APPROVED FOR PAYMENT

W. H. Law

W. H. LAW

COUNTY AUDITOR

John P. Thompson

JOHN P. THOMPSON

COUNTY JUDGE

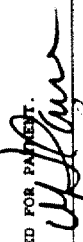

FY02 VOL.

3/11

SCHEDULE OF BILLS BY FUND

FUND DESCRIPTION	DISBURSEMENTS
028 POLK COUNTY HISTORICAL COMM	660.65
TOTAL OF ALL FUNDS	660.65

THE PRECEDING LIST OF BILLS PAYABLE WAS REVIEWED AND APPROVED FOR PAYMENT.


 W. H. LAW
 COUNTY AUDITOR

 JOHN P. THOMPSON
 COUNTY JUDGE

13734
M/S

5/101

SCHEDULE OF BILLS BY FUND

FUND	DESCRIPTION	DISBURSEMENTS
010	GENERAL FUND	76,239.94
015	ROAD & BRIDGE ADM	11,615.30
027	SECURITY FUND	329.91
032	ENVIRONMENTAL SERVICES	3,874.66
048	DISTRICT ATTY SPECIAL FUND	574.33
051	AGING DEPT	3,516.75
083	MUSEUM OPERATING FUND	94.80
093	CO CLERK RECORDS MGMT FUND	53.94
101	ADULT SUPERVISION	7,047.75
108	CCP - SURVEILLANCE	809.64
109	SPECIALIZED CASELOAD CCP	374.18
184	JUVENILE PROBATION	1,039.88
185	CCAP - JUVENILE PROBATION	2,298.26
	TOTAL OF ALL FUNDS	107,869.34

THE PRECEDING LIST OF BILLS PAYABLE WAS REVIEWED AND APPROVED FOR PAYMENT.

W. H. LAW
 COUNTY AUDITOR
 JOHN P. THOMPSON
 COUNTY JUDGE

W. H. Law
John P. Thompson

5402

SCHEDULE OF BILLS BY FUND

FUND DESCRIPTION	DISBURSEMENTS
010 GENERAL FUND	32,482.93
015 ROAD & BRIDGE ADM	13,261.41
032 ENVIRONMENTAL SERVICES	5,656.57
061 DEBT SERVICE FUND	6,355.35
101 ADULT SUPERVISION	244.98
185 CCAP - JUVENILE PROBATION	191.75
TOTAL OF ALL FUNDS	58,172.99

THE PRECEDING LIST OF BILLS PAYABLE WAS REVIEWED AND APPROVED FOR PAYMENT


 W. H. LAW
 COUNTY AUDITOR

 JOHN P. THOMPSON
 COUNTY JUDGE

SCHEDULE OF BILLS BY FUND

FUND DESCRIPTION	DISBURSEMENTS
085 TDCP GRANT#71927-RD MATERIALS	4,932.00
TOTAL OF ALL FUNDS	4,932.00

THE PRECEDING LIST OF BILLS PAYABLE WAS REVIEWED AND APPROVED FOR PAYMENT

W. H. Law
John P. Thompson

W. H. LAW

COUNTY AUDITOR

JOHN P. THOMPSON

COUNTY JUDGE

fy01

SCHEDULE OF BILLS BY FUND

FUND DESCRIPTION	DISBURSEMENTS
010 GENERAL FUND	6,325.55
015 ROAD & BRIDGE ADM	254.66
032 ENVIRONMENTAL SERVICES	94.70
051 AGING DEPT	898.35
TOTAL OF ALL FUNDS	7,573.26

THE PRECEDING LIST OF BILLS PAYABLE WAS REVIEWED AND APPROVED FOR PAYMENT.

W. H. LAY

W. H. Lay

COUNTY AUDITOR

JOHN P. THOMPSON

John P. Thompson

COUNTY JUDGE

ADDITIONAL

fy02

ADDITIONAL

DATE 11/09/2001 ELECTRONIC FEDERAL TAX PAYMENTS VCH011 PAGE 1
REF # VEN # VENDOR NAME AMOUNT
ACH215 FIRST STATE BANK \$64,642.02
ACH216 POLK CO PAYROLL ACCT \$108,982.75
TOTAL AMOUNT \$253,624.77

John P. Thompson

fy02

SCHEDULE OF BILLS BY FUND

FUND DESCRIPTION	DISBURSEMENTS
010 GENERAL FUND	4,418.83
015 ROAD & BRIDGE ADM	1,339.55
027 SECURITY FUND	30.00
032 ENVIRONMENTAL SERVICES	388.63
101 ADULT SUPERVISION	1,239.45
108 CCP - SURVEILLANCE	288.01
184 JUVENILE PROBATION	83.34
185 CCAP - JUVENILE PROBATION	526.36
TOTAL OF ALL FUNDS	8,314.17

THE PRECEDING LIST OF BILLS PAYABLE WAS REVIEWED AND APPROVED FOR PAYMENT

W. H. LAW

COUNTY AUDITOR

JOHN P. THOMPSON

COUNTY JUDGE

[Signature]

[Signature]

ADDITIONAL

fy02

ADDITIONAL

SCHEDULE OF BILLS BY FUND

FUND DESCRIPTION	DISBURSEMENTS
010 GENERAL FUND	34,405.52
011 HOTEL OCCUPANCY TAX FUND	19,641.11
015 ROAD & BRIDGE ADM	24,041.58
032 ENVIRONMENTAL SERVICES	971.79
049 DISTRICT ATTY HOT CHECK FUND	240.25
051 AGING DEPT	10,924.13
TOTAL OF ALL FUNDS	90,224.38

THE PRECEDING LIST OF BILLS PAYABLE WAS REVIEWED AND APPROVED FOR PAYMENT.

W. H. LAM

William H. Lam

COUNTY AUDITOR

JOHN P. THOMPSON

COUNTY JUDGE

John P. Thompson

Addendum Schedule of Bills for Court Dated 11/13/01
FY-01

Vendor	Amount
Sanders, Eileen	\$ 588.00
Golder Associates, Inc.	\$ 43,937.88
General Wire & Electrical Supply	\$ 320.62
Cal Comp Graphics	\$ 228.15
Long/Ronnie-Century II Printing	\$ 112.83
Angelina College	\$ 210.00
Story-Wright	\$ 1,573.00
American 3CI	\$ 48.00
Canon U.S.A.	\$ 280.23
Flowers Davis, P.L.L.C.	\$ 104.07
Texas Imaging Systems	\$ 597.84
Bulldog Equipment	\$ 383.64
Mid-American Specialties	\$ 1,210.76
C & B Repair/Curtis Jordan	\$ 980.00
J.B. Farrar	\$ 10.37
Polk Co. Road & Bridge	\$ 2,800.00
Jim H. Duke, Michael G. Duke, & Robert Duke	\$ 2,800.00
Dr. Charlene Smith	\$ 36.55
Dr. Ambeaux	\$ 60.01
Dr. Gary Randall	\$ 350.84
Memorial Medical Center-Livingston	\$ 8,740.92
Angelina Diagnostic Radiology	\$ 123.29
Livingston Physical Therapy, Inc.	\$ 24.00
UTMB-Galveston	\$ 36.00
RAJ Associates	\$ 292.68
Total	\$ 65,849.68



Addendum Schedule of Bills for Court Dated 11/13/01
FY-02

Vendor	Amount
K-9 Concepts	\$ 900.00
Anthony Lowrie/Travel Advance	\$ 400.00
Texas Historical Commission	\$ 400.00
Newton FFA Booster Club	\$ 2,500.00
Memorial Medical Center-Livingston	\$ 3,589.09
Angelina Diagnostic Radiology	\$ 45.28
RAJ Associates	\$ 292.68
Dr. Elias Kanaan	\$ 27.28
Home Care Supply	\$ 457.60
REAP Livingston-1	\$ 62.74
Medical Rentals and Sales	\$ 228.80
Scriptcare, Inc.	\$ 8,526.31
Dr. George DeLoach	\$ 226.29
Labcorp of America Holdings	\$ 38.94
Dr. V.P. Samuel	\$ 135.33
Dr. Gary Randall	\$ 422.62
Total	<u>\$ 18,252.96</u>



OCTOBER 24 THROUGH NOVEMBER 13, 2001

DATE:

#15

NO.	EMPLOYEE	DEPT	JOB DESCRIPTION	EMPLOYMENT	GROUP	ACTION TAKEN
(1)	JOHN H. (JR.)	ROAD & BRIDGE	#109 LIGHT EQUIP. OPERATOR	REGULAR	134	RESIGNATION EFFECTIVE 10/30/2001
	DAVIS	PRECINCT # 2		FULL-TIME	\$21,658.81	
(2)	TERESA WRIGHT	AGING SERVICES ONALASKA	#1265 COOK	LABOR POOL -900 HRS.	UNCLASSIFIED \$6.96 HR.	DISMISSAL EFFECTIVE 11/02/2001
(3)	ALAN D. LUBLANC	JAIL	#1038 DEPUTY SHERIFF (TRANS)	LABOR POOL -900 HRS	16(1) \$10.66 HR	NEW HIRE EFFECTIVE 11/14/2001
(4)	ROBERT T. MOORE	SHERIFF	#1037 DEPUTY SHERIFF (PATROL)	REGULAR FULL-TIME	16(1) 23,315.36	NEW HIRE EFFECTIVE 11/14/2001
(5)	RISA A. MY	ROAD & BRIDGE PRECINCT # 2	#1103 SECRETARY #1	REGULAR FULL-TIME	12(3) \$20,125.86	MERIT INCREASE TO #103 (12/4) \$20,620.37 EFFECTIVE 11/14/2001
(6)	LARRY R. WILLIAMS	SHERIFF	#1055 SHERIFF	LABOR POOL -900 HRS.	11(1) \$8.77 HR.	TRANSFER TO #1055 CORRECTION OFFICER JAIL 12(1) (\$18,161.61) EFFECTIVE 11/14/2001
(7)	CHADWICK H. GULLEY	COUNTY EXTENSION	#1222 COUNTY EXT. AGENT - AGR.	STATE	UNCLASSIFIED \$15,000.00	COST OF LIVING INCREASE TO \$15,375.00 EFFECTIVE 11/07/2001
(8)	STYLVA ASHWORTH	COUNTY EXTENSION	#1221 COUNTY EXT. AGENT - H E	STATE	UNCLASSIFIED \$8,400.00	COST OF LIVING INCREASE TO \$ 8,610.00 EFFECTIVE 11/07/2001
(9)	MARK C. CURRIE	COUNTY EXTENSION	#1222 COUNTY EXT. AGENT - AGR.	STATE	UNCLASSIFIED \$8,400.00	COST OF LIVING INCREASE TO \$ 8,610.00 EFFECTIVE 11/07/2001
(10)	SHAUN P. DUNN	SHERIFF DEPARTMENT	#1037 DEPUTY SHERIFF PATROL	REGULAR FULL-TIME	16(1) \$23,315.31	NEW HIRE EFFECTIVE 11/15/2001
(11)	KEVIN W. BLACKBURN	SHERIFF DEPARTMENT	#1037 DEPUTY SHERIFF PATROL	REGULAR FULL-TIME	16(3) \$24,522.14	PROMOTION TO #1038 SERGEANT (18(1) \$25,736.37) EFFECTIVE 11/07/2001
(12)	JOSE D. GARCIA	ROAD & BRIDGE PRECINCT #3	#1111 MECHANIC	REGULAR FULL-TIME	16(2) \$23,908.73	RESIGNATION EFFECTIVE 11/09/2001
(13)						
(14)						
(15)						

Additional

Additional

Item #18

**Criteria and Scoring Values:
Texas Historic Courthouse Preservation Program**

A. The following items will not receive scoring values since they are required elements of the grant applications:

- (1) the amount of money available for a grant;
- (2) the percentage of the cost the county will contribute;
- (3) any in-kind contributions the county will provide;
- (4) the cost of the proposed project;
- (5) the county's approved master preservation plan.

B. The following criteria and scoring values will be used to rate the grant applications:

- (1) the historic significance of the courthouse *(2-14 points)*;
- (2) status of the building as a functioning courthouse *(20 points)*;
- (3) county's provision of a cash overmatch greater than 15 % of the grant request *(2-8 points)*;
- (4) courthouse is subject to a current conservation easement or covenant held by the commission *(6-20 points)*;
- (5) county is willing to place a new preservation easement on the courthouse as part of the grant process *(0-20 points)*;
- (6) age of the courthouse *(4-20 points)*;
- (7) status of the courthouse in terms of state and local historical designations that are in place *(2-6 points)*;
- (8) location of the county in a region with few awarded courthouse grant applications *(4 points)*;
- (9) degree of surviving integrity of original design and materials *(0-14 points)*;
- (10) proposal is in conformance with the approved master plan and addresses the work in proper sequence *(6-18 points)*;
- (11) county government's provision of preservation incentives and support of the county historical commission and other county-wide preservation efforts *(4 points)*;
- (12) use of the building as a courthouse after the project *(10 points)*;
- (13) importance of the building within an architectural style/context *(2-14 points)*;
- (14) evidence of community support and county commitment to protection *(2 points)*;
- (15) proposal addresses and remedies former inappropriate changes *(2-14 points)*;
- (16) existence of a plan for protecting county records during the restoration and afterwards *(4 points)*;
- (17) effort to protect and enhance surrounding historic resources *(4 points)*;
- (18) degree of endangerment *(2-20 points)*;

- (19) history of compliance with the state courthouse law (Texas Government Code, Section 442.008) (4 points);
- (20) proposal results in a fully restored county courthouse (6 points); and
- (21) plans and specifications (with approved master plan in place) (10 points).

Item
#18

**TEXAS 1033 SURPLUS PROPERTY PROGRAM
APPLICATION LETTER**

COPY

TO: Office of the Governor
CJD - 1033 Program
P.O. Box 12428
Austin, Texas 78711-2428

SUBJECT: Request for Screening Authorization Action

1. Our agency requests that the personnel noted on the attached Law Enforcement Agency Data Sheet be granted authority to screen for excess federal property as defined in the Defense Authorization Act, 1997, Public Law 104-181, Section 1033, Transfer of Excess Personal Property.
2. We the undersigned understand and agree that failure to comply with the terms of this application is in direct conflict with the intent of this program, and failure on our agency's part to abide by the terms and conditions of the Texas 1033 Program may result in termination from the program and other sanctions including civil or criminal prosecution.
3. We understand and agree that we are responsible for all transportation costs incident to the redistribution or collection of any transferred property. Transferred property must be removed from the Defense Reutilization and Marketing Offices (DRMO) within 14 days, or sooner if so directed by the DRMO. Failure to claim and remove property will result in the redistribution of the property to another agency.
4. We understand and agree that this property is transferred from the Department of Defense (DoD). Transferred property must have a direct application to the LEA's street law enforcement, arrest and apprehension mission. Transferred property may not be disposed of, sold, bartered or transferred without prior notification, written authorization and instructions from the Texas 1033 Program Office, including instances in which property is no longer serviceable for law enforcement use.
5. We have read and understand, in its entirety, this Texas Military Surplus Property & Procurement Program booklet. We understand and agree to comply with the terms and conditions of the Texas 1033 Program and have signed the Release of Liability Statement.
6. We understand that the Federal Freedom of Information Act and the Texas Open Records Act apply to all property received under the Texas 1033 Program.
7. We understand and agree that our authority to screen expires one year from the date on the LESO-West authorization letter. We also understand that it is our responsibility to submit a new

Law Enforcement Agency Data Sheet at least thirty (30) days prior to expiration of the LESO-West authorization letter, as well as anytime the information on the Data Sheet changes.

8. We understand that the LEA must compile and maintain a detailed inventory of all transferred property obtained throughout the Texas 1033 Program. We further understand that a detailed inventory report, as outlined in the program overview, (Attachment 6) is due at the Criminal Justice Division - Texas 1033 Program office not later than January 20th of every year.

9. We understand that if a vehicle is obtained through the Texas 1033 Program, the LEA will forward photocopies of both (1) the United States Government Certificate to Obtain Title to a Vehicle (SF 97); and (2) the Texas Certificate of Title (Form 30-C) to the Texas 1033 Program office within thirty (30) days of receipt.

James M Nettles
LEA CHIEF EXECUTIVE'S SIGNATURE

11-13-01
DATE

James M Nettles , Chief Deputy
LEA CHIEF EXECUTIVE'S TYPED NAME & TITLE

John P. Thompson
AUTHORIZED OFFICIAL *

11-13-01
DATE

John Thompson, County Judge
AUTHORIZED OFFICIAL'S TYPED NAME & TITLE

*Authorized official - county judge, mayor, or city manager



LAW ENFORCEMENT AGENCY DATA SHEET

COPY

Date: 11-13-01

AGENCY: Polk County Sheriff's Department

ADDRESS: 1733 North Washington E-Mail: N/A

CITY: Livingston State: TEXAS Zip: 77351

PHONE: 936-327-6810 FAX: 936-327-6892

NUMBER of FULL-TIME, COMPENSATED OFFICERS: 37

NUMBER of FULL-TIME, SWORN NARCOTICS OFFICERS: 3

NUMBER of FULL-TIME, SWORN TACTICAL OFFICERS: 10

NUMBER of FULL-TIME, SWORN DIVE OFFICERS: _____

Screeners # 1: Denny F. Gallaway Lt
Must be Sworn officer Name Rank

Screeners # 2: Eric W. Jones Sgt
Must be Sworn officer Name Rank

Weapons Officer: Anthony R. Lowrie Sgt.
Must be Sworn officer Name Rank

Signature: *James M Nettles*
Chief Executive Official of Agency

John Thompson
Authorized Official

Name: James Nettles
Chief Executive Official of Agency

John Thompson
Authorized Official

Title: Chief Deputy
Chief Executive Official of Agency

County Judge
Authorized Official

* This person is the official authorized to apply for, accept, decline or cancel participation of the applicant agency. This person may be the executive director of a state agency, county judge, mayor, city manager or a designee as authorized through a resolution by the governing body.
NOTE: This form must be filled out annually or as changes occur by the LEA and forwarded to the Program Coordinator.

Signature: _____
Dr. Gary Walker
Texas 1033 Program Coordinator

VOL.

47 PAGE **1738**

STATE OF TEXAS
RELEASE OF LIABILITY
 (NEW 4-98)

OFFICE OF THE GOVERNOR
 CRIMINAL JUSTICE DIVISION

COPY

RELEASE OF LIABILITY - TRANSFERRED PROPERTY

AGENCY: Polk County Sheriff's Department, Polk County, Texas
City / county

The Texas Law Enforcement Agency ("LEA") designated above acknowledges receipt of excess property of the Department of Defense transferred pursuant to Section 1033 of the National Defense Authorization Act for Federal Fiscal Year 1997 (the "Act"). Such excess property transferred pursuant to the Act may include small arms and ammunition (hereinafter referred to collectively as the "Transferred Property").

The LEA acknowledges that the Transferred Property is considered excess to the needs of the Department of Defense and that the Transferred Property may be in any condition from new to unserviceable. The LEA acknowledges that there may be hazards associated with the use of the Transferred Property, which could cause damage to property and serious injury or death. The term "use" with respect to the Transferred Property is acknowledged to include, but is not limited to, active deployment, passive transportation, and mere possession. The LEA agrees to provide appropriate and adequate training to any person who may use the property. The LEA agrees that it IS NOT the responsibility of the Department of Defense, the Office of the Governor's Criminal Justice Division ("CJD") or the State of Texas to provide appropriate or adequate training to any person using the Transferred Property.

Neither CJD nor the State of Texas assumes any liability whatsoever for damages to property or injuries/death to any person arising from the use of the Transferred Property. By signing this agreement, the LEA agrees to be solely responsible for any and all suits, actions, demands or claims of any nature arising from the use of the Transferred Property. The LEA agrees to maintain, at its expense, adequate liability and property damage insurance and workman's compensation insurance to cover any such claims.

The LEA accepts the Transferred Property "as is" with no warranty of any kind. Neither CJD nor the State of Texas makes any claims or warranties, expressed or implied, concerning the Transferred Property, including but not limited to, any warranty of fitness for a particular purpose.

The LEA acknowledges that any item of the Transferred Property meeting the definition of "machine gun" found in 26 U.S.C. 584(b)* must be registered with the Bureau of Alcohol, Tobacco and Firearms ("ATF") with an ATF Form-10 (Application for Registration of Firearm Acquired by Certain Governmental Entities). Upon receipt of a properly executed Form-10, ATF will accept the registration of the machine gun and notify the LEA. Any machine gun registered in this manner is restricted for law enforcement use only. The LEA agrees to provide CJD a copy of an approved Form-10 for each machine-gun that is part of any Transferred Property received. The LEA must execute a separate transfer agreement with the United States Army, through the 1033 Program, for any small arms/weapons.

The LEA acknowledges that it is solely responsible for any and all costs associated with the Transferred Property, including but not limited to, packing, crating, handling, transportation, repossession, and disposal.

The LEA acknowledges that Transferred Property may be disposed of only with the express approval of the 1033 Program and in accordance with local, state, and federal laws, and the regulations and guidelines of the 1033 Program. The LEA specifically acknowledges that the preceding rule includes, but is not limited to, the transfer, destruction or abandonment of any Transferred Property constituting small arms/weapons and weapons parts.

Subject to the conditions set fourth herein, title to the Transferred Property is assumed by the LEA upon written acceptance hereof from the LEA.

The chief law enforcement executive and the authorized official signing below certify that he or she has the authority to legally bind the LEA.

James M. Nettles
LEA Chief Executive's Signature
James M. Nettles Chief Deputy
LEA Chief Executive's Typed Name & Title

11-13-01
Date

John P. Thompson
Authorized Official's Signature **
John Thompson, County Judge
Authorized Official's Typed Name & Title

11-13-01
Date

* 28 U.S.C. 584(b) - The term 'machine gun' means any weapon which shoots, is designed to shoot, or can be readily restored to shoot, automatically more than one shot, without manual reloading, by a single function of the trigger. The term shall also include the frame or receiver of any such weapon, any part designed and intended solely and exclusively, or combination of parts designed or intended, for use in converting a weapon into a machine gun, and any combination of parts from which a machine gun can be assembled if such parts are in the possession or under the control of a person.

** Authorized Official - county judge, mayor or city manager

Item #19

**POLK COUNTY INDIGENT HEALTH CARE PROGRAM
P. O. Box 916
Livingston, Texas 77351**

PREVENTION AND DETECTION OF FRAUD PROCEDURES

THE INDIGENT HEALTHCARE PROGRAM APPEAL AND FAIR HEARING POLICY AND PROCEDURES CONINCIDE WITH THE PREVENTATION AND DETECTION OF THE FRAUD PROCEDURES

CONSTITUTION OF FRAUD

The definition of fraud in reference to the Indigent Health Care Program means any applicant who intentionally misrepresents information to receive benefits they are not entitled to receive, (IHC-Section 3, page 2).

PREVENTION AND DETECTION OF FRAUD

For the Prevention and Detection of Fraud, Polk County Indigent Health Care Department will include but not be limited to all rules and regulations allowed by the State of Texas documented in the Indigent Health Care Handbook, with the right to request information from any available source including CSC Credit Services. (IHC-Section 3)

ADMINISTRATIVE HEARING

Administrative Hearing in this context means; all interviews conducted by the Indigent Department and the right to an appeal hearing due to a denial of the following ; ineligible application or ineligible during certification. (Section 2-3)

An applicant, not the County, must prove eligibility for assistance during application procedures, including but not limited to all requested information. The County, not the applicant, must prove ineligibility for assistance. (Section 1-3)

State Form 480 will be used to enable clients to formally request an appeal hearing and the right to designate a representative and record the reason for denial or discontinuance and to prepare for the hearing. Preparation for the hearing will be in accordance with the guidelines of the County Indigent Healthcare handbook and Administrative Hearing Procedures. The Commissioners Court appointed Appeal Officer shall conduct Appeal Hearings in accordance with the Polk County Appeal Hearing Procedures. The Hearing Officer's determination is the final decision for Commissioners Court. (Section 3)

FORMAL DENIAL

THE DENIAL PROCEDURES TO BE USED BY THE DIRECTOR/DESIGNEE INCLUDE BUT ARE NOT LIMITED TO THE FOLLOWING: (SECTION 3)

1. The Director /Designee shall research, collect, and document all requested information for the Indigent Department.
2. A recipient is denied from the program for failure to report changes within fourteen (14) days from the date of change or failure to submit correct information during the interview.
3. If a denial has been sustained as potential fraud, the Director/Designee shall notify the recipient of the findings and will offer an opportunity for the recipient to contact the Director to discuss the issue(s).

DENIAL PENALTIES

THE FOLLOWING PROCEDURES WILL APPLY TO ALL ELIGIBLE RESIDENTS RECEIVING MEDICAL BENEFITS:

1. Failure to report income and/or resources on application: **PENALTY**
 - a. All household members disqualified from program one year for misrepresenting information to Polk County Indigent Health Care Office. Disqualification begins the date County Indigent Healthcare office is informed or learns of omission;
 - b. Eligible resident(s) will be responsible for repayment of all expenditures incurred by Polk County Indigent Healthcare; and
 - c. Eligible resident(s) may re-apply for benefits after one year if repayment has been made in full or resident has remained compliant with repayment agreement during the one-year period.
2. Failure to report change in household status within fourteen (14) days. **PENALTY: If change would have denied eligibility for benefits:**
 - a.

First offense	6 months disqualification
Second offense	1-year disqualification
Subsequent offenses	Disqualification as long as the program exists
 - b. Applicant(s) will be responsible for repayment for all expenditures incurred by Polk County.

Reporting changes is the responsibility of household members receiving Polk County benefits. Failure to comply with reporting procedures will result in the above penalties. Applicants are subject to criminal/civil charges for misrepresentation of information to Polk County Government.

REPORTING OF POTENTIAL FRAUD

After the Administrative Hearing (Appeals Hearing included, if requested by the recipient) has been conducted and a potential fraud has been sustained the Director will inform the District Attorney.

At the discretion of the District Attorney and request by the Director, the recipient may pay full restitution without referring the case to the District Attorney.

At the discretion of the District Attorney, the potential fraud case may be reported to another law enforcement agency other than the District Attorney.

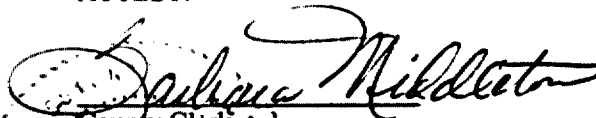
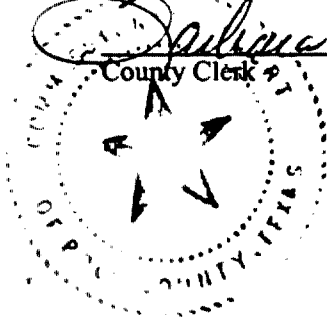
THEREFORE, LET IT BE RESOLVED THE PREVENTION AND DETECTION of Fraud Procedures have been approved and adopted by the Polk County Commissioners Court and will supersede previous adoption and remain as such until further noted by Commissioners Court.

ADOPTED AND SIGNED THIS THE 13th DAY OF NOVEMBER, 2001



John Thompson
County Judge

ATTEST:


County Clerk


Item # 22

**RESOLUTION OF THE COMMISSIONER'S COURT
POLK COUNTY, TEXAS**

THIS MATTER, having been duly presented to the Commissioner's Court of Polk County, Texas and the Court being advised in the premises, it is hereby;

RESOLVED that the Criminal District Attorney of Polk County, Texas be permitted to seek available grant funding administered by the Criminal Justice Division of the Office of the Governor of the State of Texas, in the amount of \$48,543.00, with a cash match from the Polk County District Attorney's Office of \$9400.00, for extraordinary costs of acquiring a prosecutor for cases involving juvenile offenders. It is further RESOLVED that the court will accept responsibility for the appropriate expenditure of all funds awarded pursuant to any such grant or award.

THIS the 13th day of November, 2001.



JOHN P. THOMPSON
COUNTY JUDGE

Item # 16

RESOLUTION

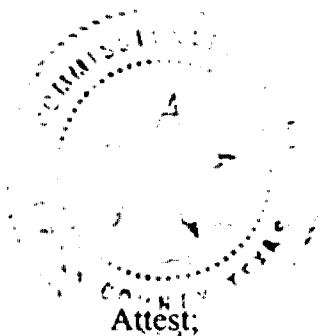
State of Texas	★	
	★	To The Texas Historical Commission
County of Polk	★	Texas Historic Courthouse Preservation Program

BE IT RESOLVED, That The Commissioners Court of Polk County convened in a regularly called session on the 13th day of November, 2001 in the Commissioners Courtroom of the Polk County Courthouse in Livingston, Texas with the following Members present and representing a quorum; John P. Thompson, County Judge; Robert C. "Bob" Willis, Commissioner, Pct.1; Bobby Smith, Commissioner, Pct.2; James J. "Buddy" Purvis, Commissioner, Pct.3; R.R. "Dick" Hubert, Commissioner, Pct.4; Absent: None when and where, among other proceedings, had the following order passed:

WHEREAS, it is required that Polk County submit an application to apply for a grant for Round III funding from the Texas Historical Commission Texas Historic Courthouse Preservation Program, State of Texas, to be used for the renovation and preservation of the County Courthouse in Polk County, Texas.

NOW, THEREFORE, BE IT ORDERED, and decreed that This Commissioners Court finds it desirable to support said application for the Texas Historic Courthouse Preservation Program through Polk County's request of the above-mentioned grant.

WHEREUPON, the motion was made by Bobby Smith and seconded by R.R. "Dick" Hubert, with all Voting in favor / none opposed, the Members of the Polk County Commissioner Court hereby approve this Resolution.



John P. Thompson
 John P. Thompson
 County Judge, Polk County, Texas

Attest;
Barbara Middleton
 Barbara Middleton, County Clerk

November 13, 2001
 Date

