

#13



**BancorpSouth**  
Equipment Finance

August 22, 2007

Sent via: E-Mail: margie.ainsworth@co.polk.tx.us

Polk County, Texas

Livingston, TX 77351

Dear Sir or Madam:

It is a pleasure to submit for your consideration the following proposal to provide lease-purchase financing based on the terms and conditions set forth below:

- 1. Lessor: BancorpSouth Equipment Finance, a division of BancorpSouth Bank
- 2. Lessee: Polk County, Texas
- 3. Equipment Description: 3- 2008 Mack Dump Trucks
- 4. Equipment Cost: \$291,580.00
- 5. Lease Term: 13 Months
- 6. Lease Payments: (These are approximate payment amounts. The actual payment will be determined at funding date.)  
1 payment of \$306,416.28  
Payment in Arrears
- 7. Lease Rate: 4.59%
- 8. Funding Date: This proposal is contingent upon the equipment being delivered and the lease funded prior to 11/20/2007. If the equipment is not delivered and the lease funded prior to 11/20/2007, this proposal is null and void. Any extension of the funding date must be in writing.
- 9. Purchase Option: Title is passed to Lessee at lease expiration for no further consideration.

10. Non-appropriation/Termination: The lease provides that Lessee is to make reasonable efforts to obtain funds to satisfy the obligation in each fiscal year. However, the lease may be terminated without penalty in the event of non-appropriation. In such event, the Lessee agrees to provide an attorney's opinion confirming the events of non-appropriation and Lessee's exercise of diligence to obtain funds.



~~11. Bank Qualification: This lease-purchase financing shall be designated as a bank qualified tax-exempt transaction as per the 1986 Federal Tax Bill. This means that the Lessee's governing body will pass a resolution stating that it does not anticipate issuing more than \$10 million in General Obligation debt or other debt falling under the Tax Bill's definition of qualifying debt during the calendar year that the lease is funded.~~

12. Tax Status: This proposal is subject to the Lessee being qualified as a governmental entity or "political subdivision" within the meaning of Section 103(a) of the Internal Revenue Code of 1954 as amended, within the meaning of said Section. Lessee agrees to cooperate with Lessor in providing evidence as deemed necessary or desirable by Lessor to substantiate such tax status.

13. Net Lease: This will be a net lease transaction whereby maintenance, insurance, taxes (if applicable), compliance with laws and similar expenses shall be borne by Lessee.

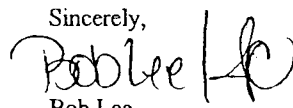
14. Financial Statements: Complete and current financial statements must be submitted to Lessor for review and approval of Lessee creditworthiness.

15. Lease Documentation: This equipment lease-purchase package is subject to the mutual acceptance of lease-purchase documentation within a reasonable time period, otherwise payments will be subject to market change.

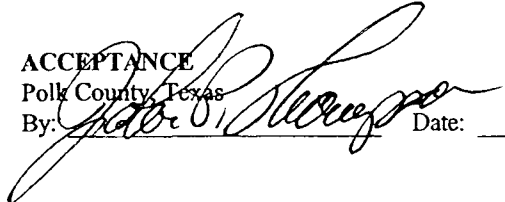
If the foregoing is acceptable, please so indicate by signing this letter in the space provided below and returning it to BancorpSouth Equipment Finance. **The proposal is subject to approval by BancorpSouth Equipment Finance's Credit Committee and to mutually acceptable terms, conditions and documentation.**

This proposal expires as of the close of business on 9/20/2007. Extensions must be approved by the undersigned.

Any concerns or questions should be directed to Bob Lee at 1-800-222-1610.

Sincerely,  
  
Bob Lee  
Municipal Finance Manager

ACCEPTANCE  
Polk County, Texas  
By: \_\_\_\_\_ Date: \_\_\_\_\_



## SPECIAL STIPULATIONS

**LESSOR:** BancorpSouth Equipment Finance,  
a division of BancorpSouth Bank  
P. O. Box 15097  
302 Second Avenue  
Hattiesburg, MS 39404-5097

By: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

**LESSEE:** Polk County, Texas  
516 W. Church Street  
Livingston, TX 77351

By: John P. Stamps

Title: County Judge

Date: 8/28/07

Under this Equipment Lease-Purchase Agreement Section 1 (b), first paragraph only and Section 1 (b) (iv) and (v), any reference to qualified tax-exempt obligations does not apply. This applies only to Schedule No. 11 of this Equipment Lease-Purchase Agreement. Previous and future schedules under this agreement may be bank qualified and all sections of the Equipment Lease-Purchase Agreement shall apply if qualifications are met.

**EXHIBIT A**

## DELIVERY ORDER NO: 11

Dated as of: 8-28-07

To Agreement No: 11

THIS DELIVERY ORDER is issued pursuant to an Equipment Lease - Purchase Agreement dated as of November 12, 2003 (the "Agreement"), between the parties to the Agreement to authorize installation of the Equipment listed herein. All terms used herein have the meanings ascribed to them in the Agreement.

## A. PAYMENTS, TERM, TRANSPORTATION AND DELIVERY COSTS.

The Payments required under the Agreement for the Equipment designated on this Delivery Order are "See Schedule A". A portion of each Payment is paid as and represents payment of interest as set forth in Schedule A hereto. Payments shall be due as follows: "See Schedule A". Lessee shall pay transportation and/or delivery costs, if any, as set forth in Schedule B hereto.

## B. LATE PAYMENTS.

There will be a charge of N/A per month based on the amount of any Payments which remain unpaid for ten (10) days after the due date.

## C. FISCAL YEAR.

Lessee's fiscal year period is from 2006 to 2007.

## D. CONCLUDING PAYMENT.

Lessee shall have the option to purchase the Equipment described herein in accordance with Section 14 of the Agreement upon payment of the Concluding Payment Amount set forth in Schedule A hereto plus the payment then due.

## E. EQUIPMENT DESCRIPTION.

The Equipment as defined in the Agreement includes the following:

See Schedule A-1 attached hereto and made a part hereof

EXHIBIT C

F. LOCATION.

Road and Bridge Pct # 3

THE TERMS GOVERNING THIS DELIVERY ORDER ARE CONTAINED IN THE AGREEMENT REFERENCED ABOVE AND APPLY WITH THE SAME FORCE AND EFFECT AS IF SET FORTH FULLY HEREIN.

Lessor shall not be bound by this Agreement until it is executed by an authorized officer of Lessor at Lessor's principal place of business.

DATED as of the day and year first above stated on this Delivery Order.

LESSOR:

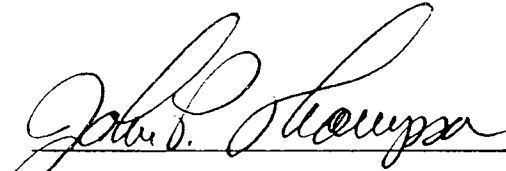
BancorpSouth Equipment Finance, a  
division of BancorpSouth Bank  
P. O. Box 15097  
Hattiesburg, MS 39404-5097

By: \_\_\_\_\_

Title: \_\_\_\_\_

LESSEE:

Polk County, Texas  
516 W. Church Street  
Livingston, TX 77351

By:  \_\_\_\_\_

Title: County Judge \_\_\_\_\_

SCHEDULE A-1

Polk County, Texas

Master Lease Number: 7319

Delivery Order Number: 70320-011

2008 MACK CHU613 DUMP TRUCK, VIN: \_\_\_\_\_ WITH \_\_\_ DUMP  
BODY, SN: \_\_\_\_\_

2008 MACK CHU613 DUMP TRUCK, VIN: \_\_\_\_\_ WITH \_\_\_ DUMP  
BODY, SN: \_\_\_\_\_

2008 MACK CHU613 DUMP TRUCK, VIN: \_\_\_\_\_ WITH \_\_\_ DUMP  
BODY, SN: \_\_\_\_\_

Prepared by: International Decision Systems, Inc.

**Info Analysis**  
**Payment Amortization Report**

8/22/2007 2:23:51 PM

File Name: infoa.iadx

Customer: Polk County, Texas

Quote ID: 026-895-026-001

Quote Entered Date: 8/22/07

Interest Rate: 4.5900% (Monthly)

Per	Date	Payment	Principal	Interest	Principal Balance	Accrued Interest	Accrued Int Bal	Net Balance
0	9/25/07	0.00	0.00	0.00	291,580.00	0.00	0.00	291,580.00
1	10/25/07	0.00	0.00	0.00	291,580.00	1,115.29	1,115.29	292,695.29
2	11/25/07	0.00	0.00	0.00	291,580.00	1,119.56	2,234.85	293,814.85
3	12/25/07	0.00	0.00	0.00	291,580.00	1,123.84	3,358.69	294,938.69
	2007	0.00	0.00	0.00		3,358.69		
4	1/25/08	0.00	0.00	0.00	291,580.00	1,128.14	4,486.84	296,066.84
5	2/25/08	0.00	0.00	0.00	291,580.00	1,132.46	5,619.29	297,199.29
6	3/25/08	0.00	0.00	0.00	291,580.00	1,136.79	6,756.08	298,336.08
7	4/25/08	0.00	0.00	0.00	291,580.00	1,141.14	7,897.21	299,477.21
8	5/25/08	0.00	0.00	0.00	291,580.00	1,145.50	9,042.71	300,622.71
9	6/25/08	0.00	0.00	0.00	291,580.00	1,149.88	10,192.60	301,772.60
10	7/25/08	0.00	0.00	0.00	291,580.00	1,154.28	11,346.88	302,926.88
11	8/25/08	0.00	0.00	0.00	291,580.00	1,158.70	12,505.57	304,085.57
12	9/25/08	0.00	0.00	0.00	291,580.00	1,163.13	13,668.70	305,248.70
13	10/25/08	306,416.28	291,580.00	14,836.27	0.00	1,167.58	0.00	0.00
	2008	306,416.28	291,580.00	14,836.27		11,477.58		
Totals:		306,416.28	291,580.00	14,836.27		14,836.27		

7319 70320-011

## EQUIPMENT ACCEPTANCE NOTICE

**TO:** BancorpSouth Equipment Finance, a division of BancorpSouth Bank

**RE:** Agreement No. 7319

This is to acknowledge that the delivery and/or installation of the Equipment, described in Delivery Order No. 11 dated as of 8-28-2007 has been completed in accordance with the terms of the above-referenced Agreement and that Lessee has duly delivered to and received in proper form from Lessor all purchase orders, invoices or such forms or documents required by Lessee to assure commencement of Payments on \_\_\_\_\_, in accordance with Section 2 of the Agreement.

The undersigned has inspected said Equipment. The said Equipment satisfies provisions of Section 2 of the above-referenced Agreement, and it is accepted according to the provisions contained therein.

LESSEE:

Polk County, Texas

By: 

Title: County Judge

Date: \_\_\_\_\_

EXHIBIT D



RESOLUTION AUTHORIZING AND APPROVING EXECUTION OF AN AGREEMENT WITH BANCORPSOUTH EQUIPMENT FINANCE, A DIVISION OF BANCORPSOUTH BANK.

WHEREAS, Commissioner's Court (the "Governing Body") of Polk County, Texas ("Lessee"), acting for and on behalf of Lessee hereby finds, determines and adjudicates as follows:

1. Lessee desires to enter into an Equipment Lease Purchase Agreement with the Exhibits attached thereto in substantially the same form as attached hereto as Exhibit "A" (the "Agreement") with BancorpSouth Equipment Finance, a division of BancorpSouth Bank ("Lessor") for the purpose of presently leasing with an option to purchase the equipment as described therein for the total cost specified therein (collectively the "Equipment").

2. It is in the best interest of the public purposes of Lessee that Lessee lease with an option to purchase the Equipment pursuant to and in accordance with the terms of the Agreement; and

3. It is necessary for Lessee to approve and authorize the Agreement.

NOW, THEREFORE, BE IT RESOLVED by this Governing Body for and on behalf of Lessee as follows:

Section 1. The Agreement and Exhibits attached thereto, in substantially the same form as attached hereto as Exhibit "A", by and between Lessor and Lessee are hereby approved, and John Thompson, County Judge (the "Authorized Officer") is hereby authorized and directed to execute said Agreement on behalf of Lessee.

Section 2. The Delivery Order is being issued in calendar year 2007.

Section 3. Neither any portion of the gross proceeds of the Agreement nor the Equipment identified in the Agreement shall be used (directly or indirectly) in a trade or business carried on by any person other than a governmental unit, except for such use as a member of the general public.

Section 4. No portion of the rental payments identified in the Agreement: (a) is secured, directly or indirectly, by property used or to be used in a trade or business carried on by a person other than a governmental unit, except for such use as a member of the general public, or by payments in respect of such property; or (b) is to be derived from payments (whether or not to Lessee) in respect of property or borrowed money used or to be used for a trade or business carried on by any person other than a governmental unit.

Section 5. No portion of the gross proceeds of the Agreement are used (directly or indirectly) to make or finance loans to persons other than governmental units.

Section 6. The Authorized Officer is further authorized for and on behalf of the Governing Body and Lessee to do all things necessary in furtherance of the obligations of Lessee pursuant to the Agreement, including execution and delivery of all other documents necessary or appropriate to carry out the transactions contemplated thereby in accordance with the terms and provisions thereof.

Following the reading of the foregoing resolution, \_\_\_\_\_ moved that the foregoing resolution be adopted. \_\_\_\_\_ seconded the motion for its adoption. The \_\_\_\_\_ put the question to a roll call vote and the result was as follows:

_____	Voted:	_____
_____	Voted:	_____
_____	Voted:	_____
_____	Voted:	_____
_____	Voted:	_____

The motion having received the affirmative vote of all members present, the County Judge declared the motion carried and the resolution adopted, this the 28th day of August, 2007.

*John P. Stapp*  
(Signature)

ATTEST:  
*Sibelana Walker*  
Chief Deputy

(S E A L)

Aug. 21. 2007 12:22PM

East Texas Mack  
**EAST TEXAS MACK SALES, L.L.C.**



P.O. BOX 2867  
LONGVIEW, TX 75606

(903) 758-9994 (903) 758-0275 fax

DATE: AUGUST 21, 2007

CUSTOMER NAME: POLK COUNTY, PCT. #3  
ADDRESS: 602 E. CHURCH STREET, SUITE 108  
CITY/STATE/ZIP: LIVINGSTON, TX 77351

SALESMAN: NICK MILLER

		INVOICE NUMBER	13424
			AMOUNT
YEAR/MODEL VIN DESCRIPTION	DESCRIPTION		
	ONE (1) NEW 2008 MACK CHU613 1M2AN09Y48N002424 DUMP TRUCK	\$	97,000.00
	ONE (1) NEW 2008 MACK CHU613 PARTIAL S/N 2425 DUMP TRUCK		97,000.00
	ONE (1) NEW 2008 MACK CHU613 PARTIAL S/N 2427 DUMP TRUCK		97,000.00
SUBTOTAL			<u>291,000.00</u>
STATE SALES TAX			
LICENSE & REGISTRATION			
TITLE FEE/COUNTY ROAD/BRIDGE			
STATE SURCHARGE '97 & NEWER			
STATE SURCHARGE '96 & OLDER			
STATE INSPECTION \$60.00			
DOCUMENTARY FEE			400.00
BUY BOARD FEE			
TOTAL PRICE			<u>\$ 291,580.00</u>
DEPOSIT ON ORDER CASH ON DELIVERY			54,580.00
TRADE IN: YEAR, MODEL VIN	(3) 2007 MACKS 1M2AJ06Y47N006455, 1M2AJ06Y17N006459 1M2AJ06Y67N006456		237,000.00
NET ALLOWANCE ON TRADE-IN	\$79,000.00 EACH		
AMOUNT FINANCED			
TOTAL PRICE			<u>\$ 291,580.00</u>

LIENHOLDER:

BANCORPSOUTH EQUIPMENT FINANCE  
P. O. BOX 15097  
HATTIESBURG, MS 39404

A DOCUMENTARY FEE IS NOT AN OFFICIAL FEE. A DOCUMENTARY FEE IS NOT REQUIRED BY LAW, BUT MAY BE CHARGED TO BUYERS FOR HANDLING DOCUMENTS AND PERFORMING SERVICES RELATING TO THE CLOSING OF A SALE. A DOCUMENTARY FEE MAY NOT EXCEED \$50.00 FOR A MOTOR VEHICLE CONTRACT OR A REASONABLE AMOUNT AGREED TO BY THE PARTIES FOR A HEAVY COMMERCIAL VEHICLE CONTRACT. THIS NOTICE IS REQUIRED