
EQUIPMENT LEASE-PURCHASE AGREEMENT

By and between

**Welch State Bank
as Lessor**

and

**Tom Green County
as Lessee**

Dated as of February 21, 2012

EQUIPMENT LEASE-PURCHASE AGREEMENT

This EQUIPMENT LEASE-PURCHASE AGREEMENT (the "Agreement"), dated as of **February 21, 2012**, and entered into between **Welch State Bank**, 396 S. Commercial; PO Box 129, Welch, OK, 74369 ("Lessor") and **Tom Green County**, 112 W. Harris, San Angelo, TX, 76903 ("Lessee"), a political subdivision duly organized and existing under the laws of the State of Texas ("State").

WITNESSETH:

WHEREAS, Lessor desires to lease the Equipment, as hereinafter described in Exhibit "A", to Lessee, and Lessee desires to lease the Equipment from Lessor, subject to the terms and conditions of and for the purposes set forth in this Agreement; and WHEREAS, Lessee is authorized under the Constitution and laws of the State of Texas to enter into this Agreement for the purposes set forth herein:

NOW, THEREFORE, in considerations of the premises and the mutual covenants and agreements herein set forth, Lessor and Lessee do hereby covenant and agree as follows:

ARTICLE I. Section 1.01. Definitions. The following terms will have the meanings indicated below unless the context clearly requires otherwise.

"Agreement" means this Equipment Lease-Purchase Agreement and any schedule or exhibit made a part hereof by the parties hereto, together with any amendments to the Agreement made pursuant to Section 13.03 and 13.06.

"Code" means the Internal Revenue Code of 1986, as amended.

"Commencement Date" is the date when the term of this Agreement and Lessee's obligation to pay rent commences, which date shall be the date first above written.

"Equipment" means the property described in Exhibit "A", Equipment Description, and all replacements, repairs, restorations, modifications and improvements thereof or thereto made pursuant to Section 5.04 or Article VIII.

"Event of Default" means any event of default described in Section 12.01.

"Issuance Year" means the calendar year in which this Agreement was entered into by Lessee and Lessor.

"Lease Term" means the Original Term and all Renewal Terms.

"Lessee" means the entity described as such in the first paragraph of this Agreement, its successors and its assigns.

"Lessor" means the entity described as such in the first paragraph of this Agreement, its successors and its assigns.

"Original Term" means the period from the Commencement Date until the end of the budget year of Lessee in effect on the Commencement Date.

"Purchase Price" means the amount designated as such on Exhibit B hereto, together with all other amounts then due hereunder, that Lessee may, in its discretion, pay to Lessor to purchase the Equipment.

"Renewal Terms" means the renewal terms of this Agreement, each having a duration of one year and a term coextensive with Lessee's budget year.

"Rental Payments" means the basic rental payments payable by Lessee pursuant to Section 4.01.

"Rental Payment Date" means the date upon which any Rental Payment is due and payable as provided in Exhibit B.

"State" means the State of Texas.

"Vendors" means the manufacturer of the Equipment as well as agents or dealers of the manufacturer from whom Lessor purchased or is purchasing the Equipment.

ARTICLE II. Section 2.01. Representations and Covenants of Lessee. Lessee represents, covenants and warrants for the benefit of Lessor as follows:

- (a) Lessee is a political subdivision of the State duly organized and existing under the Constitution and laws of the State with full power and authority to enter into this Agreement, as specified in Texas Statutes, and the transactions contemplated hereby and to perform all of its obligations hereunder.
- (b) Lessee has duly authorized the execution and delivery of this Agreement by proper action by its governing body at a meeting duly called, regularly convened and attended throughout by the requisite majority of the members thereof or by other appropriate official approval, and all requirements have been met and procedures have occurred in order to ensure the validity and enforceability of this Agreement.
- (c) No event or condition that constitutes, or with the giving of notice or the lapse of time or both would constitute, an Event of Default exists at the date hereof.
- (d) Lessee has, in accordance with the requirements of law, fully budgeted and appropriated sufficient funds for the current budget year to make the Rental Payments scheduled to come due during the current budget year, and to meet its other obligations for the current budget year, and such funds have not been expended for other purposes.
- (e) Lessee will do or cause to be done all things necessary to preserve and keep in full force and effect its existence as a public body corporate and politic.
- (f) Lessee has complied with such public bidding requirements as may be applicable to this Agreement and the acquisition by Lessee of the Equipment.

- (g) During the Lease Term, the Equipment will be used by Lessee only for the purpose of performing essential governmental or proprietary functions of Lessee consistent with the permissible scope of Lessee's authority. The Equipment will have a useful life in the hands of Lessee in excess of the Original Term and all Renewal Terms.
- (h) Lessee will annually provide Lessor with current financial statements, budgets, proofs of appropriation for the ensuing budget year and other such financial information relating to the ability of Lessee to continue this Agreement as may be requested by Lessor. Should Lessor assign this Agreement, Lessee will provide updated certificates regarding the use of the Equipment and Lessee's compliance with the terms hereof.
- (i) Lessee will comply with all applicable provisions of the Code, including without limitation Sections 103 and 148 thereof, and the applicable regulations of the Treasury Department to maintain the exclusion of the interest components of Rental Payments from gross income taxation.
- (j) Lessee will use the proceeds of this Agreement as soon as practicable and with all reasonable dispatch for the purpose for which the Agreement has been entered into. No part of the proceeds of the Agreement shall be invested in any securities, obligations or other investments or used, at any time, directly or indirectly, in a manner which, if such use had been reasonably anticipated on the date of issuance of the Agreement, would have caused any portion of the Agreement to become "arbitrage bonds" within the meaning of Section 103(b)(2) or Section 148 of the Code and the applicable regulations of the Treasury Department.
- (k) Lessee represents and warrants that it is a governmental unit under the laws of the State with general taxing powers; the Agreement is not a private activity bond as defined in Section 141 of the Code; 95% or more of the net proceeds of the Agreement will be used for local governmental activities of Lessee; and the aggregate face amount of all tax-exempt obligations (other than private activity bonds) issued or to be issued by Lessee and all subordinate entities thereof during the Issuance Year is not reasonably expected to exceed \$10,000,000. Lessee and all subordinate entities thereof will not issue in excess of \$10,000,000 of tax-exempt bonds (including the Agreement but excluding private activity bonds) during the Issuance Year without first obtaining an opinion of nationally-recognized counsel in the area of tax-exempt municipal obligations acceptable to Lessor that the excludability of the interest components of Rental Payments on the agreement from gross income for federal tax purposes will not be adversely affected.

Section 2.02. Certification as to Arbitrage. Lessee hereby represents as follows:

- (a) The Equipment has been ordered or is expected to be ordered within six months of the Commencement Date, and the Equipment is expected to be delivered and installed, and the Vendor fully paid, within one year of the Commencement Date.
- (b) Lessee has not created or established, and does not expect to create or establish, any sinking fund or other similar fund (i) that is reasonably expected to be used to pay the Rental Payments, or (ii) that may be used solely to prevent a default in the payment of the Rental Payments.
- (c) The Equipment has not been and is not expected to be sold or otherwise disposed of by Lessee, either in whole or in major part, prior to the last maturity of the Rental Payments.
- (d) Lessee has not been notified of any listing or proposed listing of it by the Internal Revenue Service as an issuer whose arbitrage certificates may not be relied upon.

ARTICLE III. Section 3.01. Lease of Equipment. Lessor hereby demises, leases and lets to Lessee, and Lessee rents, leases and hires from Lessor, the Equipment in accordance with this Agreement for the Lease Term. This Agreement shall be in effect and shall commence as of the Commencement Date. The Lease Term may be continued, solely at the option of Lessee, at the end of the Original Term or any Renewal Term for an additional Renewal Term up to the maximum Lease Term set forth in Exhibit B hereto. At the end of the Original Term and at the end of each Renewal Term until the maximum Lease Term has been completed, Lessee shall be deemed to have exercised its option to continue this Agreement for the next Renewal Term if Lessee budgets and appropriates or otherwise makes legally available funds to pay Rental Payments for such Renewal Term, unless Lessee shall have terminated this Agreement pursuant to Section 10.01. The terms and conditions during any Renewal Term shall be the same as the terms and conditions during the Original Term, except that the Rental Payments shall be as provided on Exhibit B hereto.

Section 3.02. Continuation of Lease Term. It is the intent of Lessee to continue the Lease Term through the Original Term and all Renewal Terms and to pay the Rental Payments hereunder. Lessee reasonably believes that legally available funds in an amount sufficient to make all Rental Payments during the entire Lease Term can be obtained. Lessee and lessor acknowledge that appropriation for Rental Payments is a governmental function which Lessee cannot contractually commit itself in advance to perform and this Agreement does not constitute such a commitment. However, Lessee reasonably believes that moneys in an amount sufficient to make all Rental Payments can and will lawfully be appropriated and made available to permit Lessee's continued utilization of the Equipment in the performance of its essential functions during the Lease Term. Lessee will use funds appropriated for this Agreement for no other purpose than to pay the Rental Payments and other amounts due hereunder. **Section 3.03. Nonappropriation.** Lessee is obligated only to pay such Rental Payments under this Agreement as may lawfully be made from funds budgeted and appropriated for that purpose during Lessee's then current budget year. Should Lessee fail to budget, appropriate or otherwise make available funds to pay Rental Payments following the then current Original Term or Renewal Term, this Agreement shall be deemed terminated at the end of the then current Original Term or Renewal Term. Lessee agrees to

deliver notice to Lessor of such termination at least 90 days prior to the end of the then current Original Term or Renewal Term, but failure to give such notice shall not extend the term beyond such Original Term or Renewal Term. If this Agreement is terminated in accordance with this Section, Lessee agrees to peaceably deliver the Equipment, at Lessee's sole expense, to Lessor at the location(s) to be specified by Lessor.

ARTICLE IV. Section 4.01. Rental Payments. Lessee shall promptly pay Rental Payments to Lessor, exclusively from legally available funds, in lawful money of the United States of America, without notice or demand, in such amounts and on or before the applicable Rental Payment Dates set forth on Exhibit B hereto, at the address set forth on the first page hereof or such other address as Lessor or its assigns may from time to time request in writing. Lessee shall pay Lessor interest on any Rental Payment not paid on the date such payment is due at the rate of 12% per annum or the maximum amount permitted by law, whichever is less, from such date. A portion of each Rental Payment is paid as and represents payment of, interest, as set forth on Exhibit B hereto.

Section 4.02. Rental Payments to Constitute a Current Expense of Lessee. Lessor and Lessee understand and intend that the obligation of Lessee to pay Rental Payments hereunder shall constitute a current expense of Lessee and shall not in any way be construed to be a debt of Lessee in contravention of any applicable constitutional or statutory limitation or requirement governing the creation of indebtedness by Lessee, nor shall anything contained herein constitute a pledge of the general tax revenues, funds or monies of Lessee.

Section 4.03. RENTAL PAYMENTS TO BE UNCONDITIONAL. EXCEPT AS PROVIDED IN SECTION 3.03, THE OBLIGATIONS OF LESSEE TO MAKE RENTAL PAYMENTS AND TO PERFORM AND OBSERVE THE OTHER COVENANTS AND AGREEMENTS CONTAINED HEREIN SHALL BE ABSOLUTE AND UNCONDITIONAL IN ALL EVENTS WITHOUT ABATEMENT, DIMINUTION, DEDUCTION, SET-OFF OR DEFENSE, FOR ANY REASON, INCLUDING WITHOUT LIMITATION ANY FAILURE OF THE EQUIPMENT TO BE DELIVERED OR INSTALLED, ANY DEFECTS, MALFUNCTIONS, BREAKDOWNS OR INFIRMITIES IN THE EQUIPMENT OR ANY ACCIDENT, CONDEMNATION OR UNFORESEEN CIRCUMSTANCES.

ARTICLE V. Section 5.01. Delivery, Installation and Acceptance of the Equipment. Lessee shall order the Equipment and cause the Equipment to be delivered and installed at the location specified on Exhibit A. When the Equipment has been delivered and installed, Lessee shall immediately accept the Equipment and evidence said acceptance by executing and delivering to Lessor an acceptance certificate acceptable to Lessor.

Section 5.02. Enjoyment of Equipment. Lessor shall provide Lessee with quiet use and enjoyment of the Equipment during the Lease Term, and Lessee shall peaceably and quietly have, hold and enjoy the Equipment during the Lease Term, without suit, trouble or hindrance from Lessor, except as otherwise expressly set forth in this Agreement.

Section 5.03. Location; Inspection. Lessor shall have the right at all reasonable times during regular business hours to enter into and upon the property of Lessee for the purpose of inspecting the Equipment.

Section 5.04. Use and Maintenance of the Equipment. Lessee will not install, use, operate or maintain the Equipment improperly, carelessly, in violation of any applicable law or in a manner contrary to that contemplated by this Agreement. Lessee shall provide all permits and licenses, if any, necessary for the installation and operation of the Equipment. In addition, Lessee agrees to comply in all respects with all applicable laws, regulations and rulings of any legislative, executive, administrative or judicial body; provided that Lessee may contest in good faith the validity or application of any such law, regulation or ruling in any reasonable manner that does not, in the opinion of Lessor, adversely affect the interest of Lessor in and to the Equipment or its interest or rights under this Agreement. Lessee agrees that it will, at Lessee's own cost and expense, maintain, preserve and keep the Equipment in good repair and working order. Lessor shall have no responsibility to maintain, repair or make improvements or additions to the Equipment. Upon the request of Lessor, Lessee will enter into a maintenance contract for the Equipment with one or more Vendors.

ARTICLE VI. Section 6.01. Title to the Equipment. Upon acceptance of the Equipment by Lessee, title to the Equipment shall vest in Lessee subject to Lessor's rights under this Agreement. Title shall thereafter immediately and without any action by Lessee vest in Lessor, and Lessee shall immediately surrender possession of the Equipment to Lessor upon (a) any termination of this Agreement other than termination pursuant to Section 10.01 or (b) the occurrence of an Event of Default. It is the intent of the parties hereto that any transfer of title to Lessor pursuant to this Section shall occur automatically without the necessity of any bill of sale, certificate of title or other instrument of conveyance. Lessee shall, nevertheless, execute and deliver any such instruments as Lessor may request to evidence such transfer. Upon termination of this Lease in accordance with Articles 3 and 12 hereof, at the election of Lessor and upon Lessor's written notice to Lessee, full and unencumbered legal title and ownership of the Equipment shall pass to Lessor, Lessee shall have no further interest therein, and Lessee shall execute and deliver to Lessor such documents as Lessor may request to evidence the passage of legal title and ownership to Lessor and termination of Lessee's interest in the Equipment.

Section 6.02. Security Interest. To secure the payment of all of Lessee's obligations under this Agreement, Lessee hereby grants to Lessor a security interest constituting a first lien on the Equipment and on all additions, attachments and accessions

thereto, substitutions therefor and proceeds therefrom. Lessee agrees to execute such additional documents, in form satisfactory to Lessor, which Lessor deems necessary or in form satisfactory to Lessor, which Lessor deems necessary or appropriate to establish and maintain its security interest and the security interest of any assignee of Lessor in the Equipment.

Section 6.03. Personal Property. The Equipment is and will remain personal property. The Equipment will not be deemed to be affixed to or a part of the real estate on which may be situated, notwithstanding that the Equipment or any part thereof may be or hereafter become in any manner physically affixed or attached to such real estate or any building thereon. Upon the request of Lessor, Lessee will, at Lessee's expense, furnish a waiver of any interest in the Equipment from any party having an interest in any such real estate or building.

ARTICLE VII. Section 7.01. Liens, Taxes, Other Governmental Charges and Utility Charges. Lessee shall keep the Equipment free of all levies, liens and encumbrances except those created by this Agreement. The parties to this Agreement contemplate that the Equipment will be used for a governmental or proprietary purpose of Lessee and that the Equipment will therefore be exempt from all property taxes. If the use, possession or acquisition of the Equipment by Lessee is nevertheless determined to be subject to taxation, Lessee shall pay when due all taxes and governmental charges lawfully assessed or levied against or with respect to the Equipment. Lessee shall pay such taxes or charges as the same may become due.

Section 7.02. Insurance. At its own expense, Lessee shall cause casualty, public liability and property damage insurance to be carried and maintained in the amounts and for the coverage set forth in Exhibit G. All insurance proceeds from casualty losses shall be payable as hereinafter provided in this Agreement. Lessee shall furnish to Lessor certificates evidencing such coverage throughout the Lease Term. Alternatively, Lessee may insure the Equipment under a blanket insurance policy or policies which cover not only the Equipment but other properties. All such insurance shall be with insurers that are acceptable to Lessor, shall name Lessee and Lessor as insureds and shall contain a provision to the effect that such insurance shall not be cancelled or modified materially without first giving written notice thereof to Lessor at least 10 days in advance of such cancellation or modification. All such casualty insurance shall contain a provision making any losses payable to Lessee and Lessor as their respective interests may appear. With written consent of Lessor, Lessee may satisfy the insurance requirements of this Section 7.02 by self-insurance.

Section 7.03. Advances. In the event Lessee shall fail to either maintain the insurance required by this Agreement or keep the Equipment in good repair and working order, Lessor may, but shall be under no obligation to, purchase the required insurance and pay the cost of the premiums thereof and maintain and repair the Equipment and pay the cost thereof. All amounts so advanced by Lessor shall constitute additional rent for the then current Original Term or Renewal Term and Lessee covenants and agrees to pay such amounts so advanced by Lessor with interest thereon from the due date until paid at the rate of 12% per annum or the maximum amount permitted by law, whichever is less.

ARTICLE VIII. Section 8.01. Damage, Destruction and Condemnation. If (a) the equipment or any portion thereof is destroyed, in whole or in part, or is damaged by fire or other casualty or (b) title to, or the temporary use of, the Equipment or any part thereof shall be taken under the exercise or threat of the power of eminent domain by any governmental body or by any person, firm or corporation acting pursuant to governmental authority, Lessee and Lessor will cause the Net Proceeds of any insurance claim, condemnation award or sale under threat of condemnation to be applied to the prompt replacement, repair, restoration, modification or improvement of the Equipment, unless Lessee shall have exercised its option to purchase the Equipment pursuant to Section 10.01. Any balance of the Net Proceeds remaining after such work has been completed shall be paid to Lessee. For purposes of this Article, the term "Net Proceeds" shall mean the amount remaining from the gross proceeds of any insurance claim, condemnation award or sale under threat of condemnation after deducting all expenses, including attorneys' fees, incurred in the collection thereof.

Section 8.02. Insufficiency of Net Proceeds. If the Net Proceeds are insufficient to pay in full the cost of any repair, restoration, modification or improvement referred to in Section 8.01, Lessee shall either (a) complete such replacement, repair, restoration, modification or improvement and pay any costs thereof in excess of the amount of the Net Proceeds, or (b) purchase Lessor's interest in the Equipment pursuant to Section 10.01. The amount of the Net Proceeds, if any, remaining after completing such repair, restoration, modification or improvement or after purchasing Lessor's interest in the Equipment shall be retained by Lessee. If Lessee shall make any payments pursuant to this Section, Lessee shall not be entitled to any reimbursement therefor from Lessor nor shall Lessee be entitled to any diminution of the amounts payable under Article IV.

ARTICLE IX. Section 9.01. DISCLAIMER OF WARRANTIES. Lessee acknowledges and agrees that the Equipment is of a size, design and capacity selected by Lessee and that Lessor is neither a manufacturer nor a vendor of such Equipment. LESSOR MAKES NO WARRANTY OR REPRESENTATION, EITHER EXPRESS OR IMPLIED, AS TO THE VALUE, DESIGN, CONDITION, MERCHANTABILITY OR FITNESS FOR PARTICULAR PURPOSE OR USE OF THE EQUIPMENT OR ANY MANUFACTURER'S OR VENDOR'S WARRANTY WITH RESPECT THERETO. IN NO EVENT SHALL LESSOR BE LIABLE FOR ANY INCIDENTAL INDIRECT, SPECIAL OR CONSEQUENTIAL DAMAGE IN CONNECTION WITH OR ARISING OUT OF THIS AGREEMENT OR

THE EXISTENCE, FURNISHING, FUNCTIONING OR LESSEE'S USE OF ANY ITEM, PRODUCT OR SERVICE PROVIDED FOR IN THIS AGREEMENT.

Section 9.02. Vendors' Warranties. Lessor hereby irrevocably appoints Lessee its agent and attorney-in-fact during the Lease Term, so long as Lessee shall not be in default hereunder, to assert from time to time whatever claims and rights (including without limitation warranties) related to the Equipment that Lessor may have against the Vendors. Lessee's representation shall be against the Vendors of the Equipment and not against Lessor. Any such matter shall not have any effect whatsoever on the rights and obligations of Lessor with respect to this Agreement, including the right to receive full and timely payments hereunder. Lessee expressly acknowledges that Lessor makes, and has made, no representations or warranties whatsoever as to the existence or the availability of such warranties by the Vendors of the Equipment.

ARTICLE X. Section 10.01. Purchase Option. Lessee shall have the option to purchase Lessor's interest in the Equipment, upon giving written notice to Lessor at least 60 days before the date of purchase except the final Rental Payment Date, at the following times and upon the following terms.

- (a) On the Rental Payment Dates specified in Exhibit B, upon payment in full of the Rental Payments then due hereunder plus the then applicable Purchase Price to Lessor; or
- (b) In the event of substantial damage to or destruction or condemnation of substantially all of the Equipment, on the day Lessee specifies as the purchase date in Lessee's notice to Lessor of its exercise of the purchase option pursuant to Article VIII, upon payment in full of the Rental Payments then due hereunder plus the then applicable Purchase Price to Lessor.

ARTICLE XI. Section 11.01. Assignment by Lessor. Lessor's right, title and interest in, to and under this Agreement and the Equipment may be assigned and reassigned only in whole but not in part without the necessity of obtaining the consent of Lessee. Any assignment shall not be effective until Lessee has received written notice, signed by the assignor, of the name and address of the assignee. Lessee shall retain all such notices as a register of all assignees and shall make all payments to the assignee currently designated in such register. Lessee agrees to execute all documents, including notices of assignment and chattel mortgages or financing statements that may be reasonably requested by Lessor or any assignee to protect its interests in the Equipment and in this Agreement. Lessee shall not have the right to and shall not assert against any assignee or any claim, counterclaim or other right Lessee may have against Lessor.

Section 11.02. Assignment and Subleasing by Lessee. None of Lessee's right, title and interest in, to and under this Agreement and in the Equipment may be assigned or encumbered by Lessee for any reason, except that Lessee may sublease all or part of the Equipment if Lessee obtains the prior written consent of Lessor and an opinion of nationally recognized counsel in the area of tax-exempt municipal obligations satisfactory to Lessor that such subleasing will not adversely affect the exclusion of the interest components of the Rental Payments from gross income for federal income tax purposes. Any such sublease of all or part of the Equipment shall be subject to this Agreement and the rights of Lessor in, to and under this Agreement and the Equipment.

ARTICLE XII. Section 12.01. Events of Default Defined. Subject to the provisions of Section 3.03, any of the following events shall constitute an "Event of Default" under this Agreement:

- (a) Failure by Lessee to pay any Rental Payment or other payment required to be paid hereunder at the time specified herein;
- (b) Failure by Lessee to maintain required insurance coverage or to observe and perform any other covenant, condition or agreement on its part to be observed or performed, other than as referred to in subparagraph (a) above, for a period of 30 days after written notice specifying such failure and requesting that it be remedied is given to Lessee by Lessor, unless Lessor shall agree in writing to an extension of such time prior to its expiration; if the failure stated in the notice cannot be corrected within the applicable period, Lessor will not unreasonably withhold its consent to an extension of such time if corrective action is instituted by Lessee within the applicable period and diligently pursued until the default is corrected;
- (c) Any statements, representations or warranty made by Lessee in or pursuant to this Agreement or its execution, delivery or performance shall prove to have been false, incorrect, misleading or breached in any material respect on the date when made;
- (d) Any provision of this Agreement shall be at any time for any reason cease to be valid and binding on Lessee, or shall be declared to be null and void, or the validity or enforceability thereof shall be contested by Lessee or any governmental agency or authority if the loss of such provision would materially adversely affect the rights or security of Lessor, or Lessee shall deny that it has any further liability or obligation under this Agreement;
- (e) Lessee shall (i) apply for or consent to the appointment of a receiver, trustee, custodian or liquidator of Lessee, or of all or a substantial part of the assets of Lessee, (ii) be unable, fail or admit in writing its inability generally to pay its debts as they become due, (iii) make a general assignment for the benefit of creditors, (iv) have an order for relief entered against it under applicable federal bankruptcy law, or (v) file a voluntary petition in bankruptcy or a petition or an answer seeking reorganization or an arrangement with creditors or taking advantage of any insolvency law or any answer admitting the material allegations of a petition filed against Lessee in any bankruptcy, reorganization or insolvency proceeding; or
- (f) An order, judgment or decree shall be entered by any court of competent jurisdiction, approving a petition or appointing a receiver, trustee, custodian or liquidator of Lessee or of all or a substantial part of the assets of Lessee, in each case without its

application, approval or consent, and such order, judgment or decree shall continue unstayed and in effect for any period of 30 consecutive days.

Section 12.02. Remedies on Default. Whenever any Event of Default exists, Lessor shall have the right, at its sole option without any further demand or notice, to take one or any combination of the following remedial steps:

(a) With or without terminating this Agreement, may declare all Rental Payments due or to become due during the Original or Renewal Term in effect when the default occurs to be immediately due and payable by Lessee, whereupon such Rental Payments shall be immediately due and payable; and

(b) With or without termination of this Agreement, Lessor may enter the premises where the Equipment is located and disable the Equipment to prevent further use thereof by Lessee. In addition or alternatively, Lessor may take possession of any of all of the Equipment by giving written notice to deliver the Equipment in the manner provided in Section 12.03; in the event Lessee fails to do so within ten (10) days after receipt of such notice, Lessor may enter upon Lessee's premises where the Equipment is kept and take possession of the Equipment and charge Lessee for costs incurred in repossessing the Equipment, including reasonable attorneys' fees. Lessee hereby expressly waives any damages occasioned by such repossession. Notwithstanding the fact that Lessor has taken possession of the Equipment, Lessee shall continue to be responsible for the Rental Payments due with respect thereto during the Fiscal Year then in effect.

(c) If Lessor terminates this Agreement and, in its discretion, takes possession and disposes of the Equipment or any portion thereof, Lessor shall apply the proceeds of any such disposition to pay the following items in the following order: (i) all costs (including, but not limited to, attorney's fees) incurred in securing possession of the Equipment; (ii) all expenses incurred in completing the disposition; (iii) any sales or transfer taxes; (iv) the balance of any Rental Payments owed by Lessee during the Original or Renewal Term then in effect; any disposition proceeds remaining after the requirements of the clauses (i), (ii), (iii), (iv), and (v) have been met shall be paid to Lessee; (v) the applicable Purchase Price of the Equipment and

(d) Lessor may take whatever action at law or in equity may appear necessary or desirable to enforce its rights as the owner of the Equipment, and Lessee shall pay the reasonable attorney's fees and expenses incurred by Lessor in enforcing any remedy hereunder.

Section 12.03. Return of Equipment; Release of Lessee's Interest. Upon termination of this Agreement hereunder prior to the payment of all Rental Payments or the applicable Purchase Price in accordance with Exhibit B: (i) Lessor may enter upon Lessee's premises where the Equipment is kept and disable the Equipment to prevent its further use by Lessee and (ii) Lessee shall promptly, but in any event within ten (10) days after such termination, at its own cost and expense: (a) perform any testing and repairs required to place the Equipment in the condition required by Section 5.04; (b) if deinstallation, disassembly or crating is required, cause the Equipment to be deinstalled, disassembled and crated by an authorized manufacturer's representative or such other service person as is satisfactory to Lessor; and (c) deliver the Equipment to a location specified by Lessor, freight and insurance prepaid by Lessee. If Lessee refuses to deliver the Equipment in the manner designated, Lessor may repossess the Equipment and charge to Lessee the costs of such repossession.

Section 12.04. No Remedy Exclusive. No remedy herein conferred upon or reserved to Lessor is intended to be exclusive and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Agreement now or hereafter existing at law or in equity. No delay or omission to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver thereof, but any such right or power may be exercised from time to time and as often as may be deemed expedient. In order to entitle Lessor to exercise any remedy reserved to it in this Agreement it shall not be necessary to give any notice other than such notice as may be required in this Agreement.

Section 12.05. Force Majeure. If by any reason of **Force Majeure** Lessee is unable in whole or in part to carry out its agreement on its part herein contained, other than the obligations on the part of Lessee contained in Article IV and Section 7.02 hereof, Lessee shall not be deemed in default during the continuance of such inability. The term "Force Majeure" as used herein shall mean, without limitation, the following: Acts of God, strikes, lockouts or other industrial disturbances; acts of public enemies, orders or restraints of any kind of government of the United States of America or the State or any of their departments, agencies or officials, or any civil or military authority; insurrections; riots; landslides; earthquakes; fires; storms; droughts; floods; or explosions.

ARTICLE XIII. Section 13.01. Notices. All notices, certificates or other communications hereunder shall be sufficiently given and shall be deemed given when delivered or mailed by registered mail, postage prepaid, to the parties hereto at the addresses immediately after the signatures to this Agreement (or at such other address as either party hereto shall designate in writing to the other for notices to such party) and to any assignee at its address as it appears on the registration books maintained by Lessee.

Section 13.02. Release and Indemnification. To the extent permitted by law, Lessee shall indemnify, protect, hold harmless, save and keep harmless Lessor from and against any and all liability, obligation, loss claim, tax and damage whatsoever, regardless of cause thereof, and all expenses in connection therewith (including without limitation counsel fees and expenses and any federal income tax and interest and penalties connected therewith imposed on interest received) arising out of or as the result of (a) the entering into of this Agreement, (b) the ownership of any item of Equipment, (c) the ordering, acquisition, use, operation, condition, purchase, delivery, rejection, storage, or return of any item of the Equipment, (d) or any accident in connection with the operation, use, condition, possession, storage or return of any item of the Equipment resulting in damage to property or injury to or

EXHIBIT A TO EQUIPMENT LEASE-PURCHASE AGREEMENT

Dated February 21, 2012 Between Welch State Bank as Lessor and Tom Green County as Lessee.

DESCRIPTION OF EQUIPMENT

The following Equipment description is the subject of the attached Equipment Lease-Purchase Agreement.

<u>Qty.</u>	<u>Description</u>
1	Asphalt Zipper 600 SN# 60000139; with trailer VIN# 109FS1826BU021920 together with all accessions, additions and attachments thereto.

The Equipment is located at: Tom Green County - Precinct #2 & #4

Lessee hereby certifies that the description of the Equipment set forth above constitutes an accurate description of the "Equipment", as defined in the attached Equipment Lease-Purchase Agreement.

STATEMENT OF ESSENTIAL USE

Please state below, or on the letterhead stationary of Tom Green County, a brief statement about why the equipment listed in Exhibit "A" has been acquired. This statement should address the following questions:

1. What is the essential function(s) to be performed by the equipment? How long do you expect it will be used?
2. Does it replace equipment that performed this (these) same function(s)? If so, how many years was the previous equipment in use?
3. Was this equipment chosen through competitive bidding, or by another method?
4. Which internal fund will be used to make the lease payments?

In answer to the above, the following is submitted:

Tom Green County

By: 

Mike Brown

Title: County Judge

TOM GREEN COUNTY



Statement of Essential Use

The essential functions that will be performed with the asphalt zipper are, to cut and mill asphalt roads maintained by the county. The expectations of the length of time this equipment will be operational is in excess of ten years. This piece of equipment does not replace any equipment owned by the county, nor does the county own any other equipment that servers this function. This equipment was obtained through the Houston-Galveston Area Council cooperative purchase agreement. The internal funds that are being used to purchase this equipment come from the Road and Bridge Precinct two and four capitalized road equipment fund.

Mike. Brown

Tom Green County Judge

*Acting in his official capacity as County Judge
and not individually.*

EXHIBIT B TO EQUIPMENT LEASE-PURCHASE AGREEMENT

LEASE NO. 50352

Dated February 21, 2012 Between Welch State Bank as Lessor and Tom Green County as Lessee.

RENTAL PAYMENT SCHEDULE

RATE: 3.39%

Equipment Cost \$152,490.00 LESS Down/Trade \$13,490.00 + Doc Fee \$200.00 = \$139,200.00

	<u>Date</u>	<u>Payment</u>	<u>Interest</u>	<u>Principal</u>	<u>Balance</u>
Loan	02/21/2012				139,200.00
1	10/30/2012	30,745.36	3,266.62	27,478.74	111,721.26
2012 Totals		30,745.36	3,266.62	27,478.74	
2	10/30/2013	30,745.36	3,797.41	26,947.95	84,773.31
2013 Totals		30,745.36	3,797.41	26,947.95	
3	10/30/2014	30,745.36	2,881.44	27,863.92	56,909.39
2014 Totals		30,745.36	2,881.44	27,863.92	
4	10/30/2015	30,745.36	1,934.35	28,811.01	28,098.38
2015 Totals		30,745.36	1,934.35	28,811.01	
5	10/30/2016	29,056.06	957.68	28,098.38	0.00
2016 Totals		29,056.06	957.68	28,098.38	
Grand Totals		152,037.50	12,837.50	139,200.00	

Final payment may vary due to the actual date payments were received.

Tom Green County

By: 

Mike Brown

Title: County Judge

EXHIBIT C TO EQUIPMENT LEASE-PURCHASE AGREEMENT
ACCEPTANCE CERTIFICATE

Welch State Bank
396 S. Commercial; PO Box 129
Welch, OK 74369

Re: Equipment Lease-Purchase Agreement, dated February 21, 2012 (the "Agreement") between Welch State Bank ("Lessor") and Tom Green County ("Lessee")

Ladies and Gentlemen:

In accordance with the Agreement, the undersigned Lessee hereby certifies and represents to, and agrees with, Lessor as follows:

- (1) All of the Equipment (as defined in the Agreement) has been delivered, installed and accepted on the date hereof.
- (2) Lessee has conducted such inspection and/or testing of the Equipment as it deems necessary and appropriate and hereby acknowledges that it accepts the Equipment for all purposes.
- (3) Lessee is currently maintaining the required insurance coverage.
- (4) No event or condition that constitutes, or with notice or lapse of time, or both, would constitute as Event of Default (as defined in the Agreement) exists at the date hereof.

Acceptance Date: February 21, 2012

Equipment Description: **Asphalt Zipper 600 SN# 60000139; with trailer VIN# 109FS1826BU021920**

Tom Green County

By: _____

Mike Brown

Title: County Judge

HAY, WITTENBURG, DAVIS, CALDWELL & BALE, L.L.P.

A REGISTERED LIMITED LIABILITY PARTNERSHIP
ATTORNEYS AT LAW
ONE EAST TWOHIG - THIRD FLOOR - ZIP 76903
P. O. BOX 271 - ZIP 76902-0271
SAN ANGELO, TEXAS

JOHN A. HAY, JR.
CHARLES J. WITTENBURG
WM. KEITH DAVIS
CYNTHIA O'BRYANT CALDWELL
LARRY W. BALE

TELEPHONE (325) 658-2728
FAX (325) 655-2278

PLEASE REFER TO
OUR FILE NO.:

March 2, 2012

5642

Welch State Bank
396 S. Commercial
P. O. Box 129
Welch, Oklahoma 74369

To Whom It May Concern:

As counsel for Tom Green County ("Lessee"), I have examined duly executed originals of the Equipment Lease-Purchase Agreement (the "Agreement") dated February 21, 2012, by and between Lessee and Welch State Bank ("Lessor"), the proceedings taken by Lessee to authorize and execute the Agreement together with other related documents, and the Constitution of the State of Texas (the "State") as presently enacted and construed. Based upon said examination and upon such other examination as I have deemed necessary or appropriate, it is my opinion that:

Lessee was duly organized and is validly existing under the Constitution and laws of the State as a political subdivision of the State.

The Agreement has been duly authorized, executed and delivered by Lessee, pursuant to constitutional and statutory provisions which authorized this transaction and Lessee's Resolution, attached as Exhibit F to the Agreement.

The Agreement is a legal, valid and binding obligation of Lessee, enforceable in accordance with its terms. In the event Lessor obtains a judgment against Lessee in money damages, as a result of an event of default under the Agreement, Lessee will be obligated to pay such judgment.

Lessee has complied with applicable public bidding requirements.

To the best of my knowledge, no litigation is pending or threatened in any court or other tribunal, state or federal, in any way affecting the validity of the Agreement.

The signatures of the elected officials of Lessee which appear on the Agreement are true and genuine; I know said elected officials and know them to hold the office set forth below their names.

Lessee is a political subdivision within the meaning of Section 103 of the Internal Revenue Code and the related regulations and rulings.

March 2, 2012

Page 2

The Lessee has, in its Resolution, designated the Agreement as a "qualified tax-exempt obligation" under Section 265(b)(3) of the Internal Revenue Code of 1986, as amended.

Sincerely,

A handwritten signature in blue ink, appearing to read "Wm Keith Davis", is written over a light gray rectangular background.

Wm. Keith Davis

WKD:gg

EXHIBIT E TO EQUIPMENT LEASE-PURCHASE AGREEMENT

Dated February 21, 2012 Between Welch State Bank as Lessor and Tom Green County as Lessee.

CERTIFICATE OF CLERK OR SECRETARY OF LESSEE

I, the undersigned, do hereby certify that I am the duly elected or appointed and acting Secretary/Clerk of the Tom Green County and I do hereby certify (i) that the officer of Lessee who executed the foregoing Agreement on behalf of Lessee and whose genuine signature appears thereon, is the duly qualified and acting officer of Lessee as stated beneath his or her signature and has been authorized to execute the foregoing Agreement on behalf of Lessee, and (ii) that the budget year of Lessee is from

October 1st to September 30th

Dated: 2-21-2012

By: Elizabeth McGill
Elizabeth McGill

Title: County Clerk



EXHIBIT F TO EQUIPMENT LEASE-PURCHASE AGREEMENT

Dated February 21, 2012 Between Welch State Bank as Lessor and Tom Green County as Lessee.

RESOLUTION OF GOVERNING BODY

At a duly called meeting of the governing body of the Tom Green County (the "Lessee") held on February 21, 2012, the following resolution was introduced and adopted:

RESOLVED, whereas the governing body of Lessee has determined that a true and very real need exists for the acquisition of Asphalt Zipper 600 SN# 60000139; with trailer VIN# 109FS1826BU021920 (the "Equipment"), Lessee desires to finance the Equipment by entering into an Equipment Lease-Purchase Agreement with Welch State Bank as Lessor and Tom Green County as Lessee (the "Agreement") according to the terms set forth in the Bid Proposal from Welch State Bank dated February 21, 2012, presented at the board meeting; and the Equipment will be used by Lessee for the purpose of:

Maintaining County Roads

RESOLVED, whereas the governing body of Lessee has taken the necessary steps, including any legal bidding requirements, under applicable law to arrange for the acquisition of such equipment,

RESOLVED, whereas the governing body hereby directs its legal counsel to review the Agreement and negotiate appropriate modifications to said Agreement so as to assure compliance with state law and local statutory law, prior to execution of the Agreement by those persons so authorized by the governing body for such purpose,

BE IT RESOLVED, by the governing body of Lessee that:

The terms of said Agreement are in the best interests of Lessee for the acquisition of such Equipment and the governing body of Lessee designates and confirms the following persons to execute and deliver, and to or attest, respectively, the Agreement and any related documents necessary to the consummation of the transactions contemplated by the Agreement.

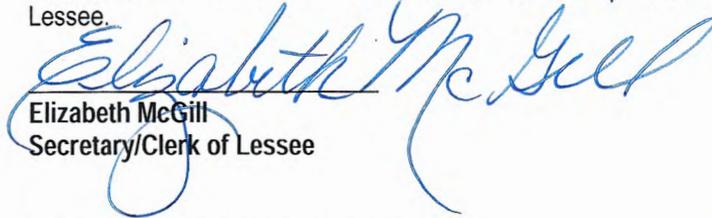
Name and Title of Persons to Execute and Attest Agreement:

Mike Brown, County Judge

RESOLVED, Lessee covenants that it will perform all acts within its power which are or may be necessary to insure that the interest portion of the Rental Payments coming due under the Agreement will at all times remain exempt from federal income taxation under the laws and regulations of the United States of America as presently enacted and construed or as hereafter amended.

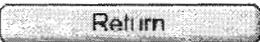
Lessee hereby certifies that it has not issued or effected the issuance of, and reasonably anticipates that it and its subordinate entities shall not issue or effect the issuance of, more than ten million dollars (\$10,000,000.00) of tax-exempt obligations during the 2012 calendar year and hereby designates the Agreement as a "qualified tax-exempt obligation", as defined by Section 265 (b)(3) of the Internal Revenue Code of 1986, as amended.

The undersigned further certifies that the above resolution has not been repealed or amended and remains in full force and effect and further certifies that the above and foregoing Agreement is the same as presented at said meeting of the governing body of Lessee.


Elizabeth McGill
Secretary/Clerk of Lessee

Attachments: Related Board Minutes



**Tom Green County
Commissioners Court
Commissioners' Court Meeting Room
Edd B. Keyes Building
113 W. Beauregard
San Angelo, Texas 76903
October 25th, 2011**

The Commissioners' Court of Tom Green County Texas met in Regular Session, October 25th, 2011 in the Edd B. Keyes Building with the following members:

Commissioner Precinct 2 Aubrey deCordova	Absent
County Judge Michael D. Brown	Present
Commissioner Precinct 1 Ralph Hoelscher	Present
Commissioner Precinct 3 Steve Floyd	Present
Commissioner Precinct 4 Yantis Green	Present

1. County Judge Michael Brown called the meeting to order and ratified that a Quorum is present at 8:30 A.M.

**2. The Invocation was given by Commissioner Steve Floyd.
Judge Brown led in the Pledges to the United States and the State of Texas.**

3. Announcement: Anyone intending to address the Commissioners' Court shall complete and turn in to the County Judge a Witness Testimony form with the exception of Tom Green County Employees who are providing resource information pursuant to an Agenda item.

Others Contributing to the items listed on the agenda are:

Terry Mobley – Human Resource
Chris Taylor – County Attorney
Archie Kountz – RISK Manager
Ron Perry - Emergency Management
Johnny Grimaldo - Purchasing Agent
Anne Bramble - Administrative
Dianna Spieker - Treasurer
Micah Hawkins - Treasurer's office
Nathan Craddock - Auditor
Charla Putnam- 911 County Coordinator
Susan Counts - Information Technology
Vona McKerley - Election Administrator
Sheri Woodfin - District Clerk
Elizabeth McGill - County Clerk
Becky Robles - Tax A/C Office
Don Killam - Facilities maintenance
Tonia Jennings - Bailiff

**4. Moved to approve the following items on the CONSENT AGENDA as presented:
A. Acknowledged the minutes from the last meeting(s) of October 18th, 2011.**

B. Moved to approve the Bills (Minutes of Accounts Allowable) through October 19th, 2011 for FY 2012 in the amount of \$505,525.33 and another check to be cut today in the amount of \$3100.00

FY 12 Open Purchase Orders for October 17-21, 2011 in the amount of \$287,647.45

Attachments:

Approval of bills

Bills

Purchase Orders

C. Accepted the following Tom Green County Personnel Actions and the attached Community Supervision and Correction Departments (CSCD) Personnel Actions as presented:

The following salary expenditures are being presented for your **Approval:**

NAME	DEPARTMENT	ACTION	EFF DATE	RANGE	SALARY	SUPPLEMENT
Modesta Hernandez	County Detention Ctr	Status Change	10/16/11	S09	\$896.51 S/M	
Anatoly V. Safonov	Custodial Services	New Hire	10/26/11	S05	\$689.36 S/M	
Roland Tijerina	Sheriff	Suspension w/o Pay	11/03/11	L04	\$1423.34 S/M	\$15.00 (Phone)
Rachael R. Romo	County Clerk	Other	10/16/11	S09	\$754.38	\$83.82 (Archive)

The following personnel actions are presented for **Acknowledgement** and as a matter of record:

NAME	DEPARTMENT	ACTION	EFF DATE	RANGE	SALARY	SUPPLEMENT
Brittany R. Smith	County Detention Ctr	Dismissal	10/15/11	S09	\$896.52 S/M	
Reyes A. Vaquera	Custodial Services	Resignation	10/31/11	S05	\$710.04 S/M	
Albert Bain, Jr.	Road & Bridge 2/4	Dismissal	10/14/11	S10	\$1104.59 S/M	\$15.00 (Phone)
Bradley S. Davis	County Detention Ctr	Resignation	10/18/11	L01	\$1099.32 S/M	
Elias A. Rojas	District Clerk	End of Temp Position	09/30/11	S00	\$7.25/HR	

The following personnel actions are presented for **Grants** as a matter of record: **None**

Attachments:

CSCD Personnel Action

D. Consider Inmate Housing MOU with Reagan County Sheriff's Office to house Tom Green County inmates. (Sheriff Richey)

Moved to approve Inmate Housing MOU (Memorandum of Understanding) with Reagan County Sheriff's Office to house Tom Green County inmates and authorize the County Judge to sign the necessary papers.

Attachments:

Reagan County Contract

E. Consider request for Department head to sign Livescan User Agreement with TXDPS Crime Records Service. (Sheriff Richey)

Moved to authorize Sheriff Richey to sign Livescan User Agreement with TXDPS Crime Records Service.

F. Consider accepting the donation of 20 cell phones and service from WCW for use by the Elections Dept. during the upcoming election. (Mary Adame)

Moved to authorize the acceptance of the donation of 20 cell phones and service from WCW for use by the Elections Department during the upcoming election.

G. Consider accepting as a matter of record release of excess collateral. (Dianna Spieker)

Moved to accept, as a matter of record, the release of excess collateral, as presented.

Attachments:

Release

H. Consider consent to acknowledge correct number of combinations. (Elections Administrator)

Moved to approve and acknowledge the correct number of combined boxes to precinct locations, as previously presented.

I. Consider acknowledgment of Commissioner DeCordova serving as a member of the Nominating Committee to appoint persons to the Board of Trustees of the MHMR Services for the Concho Valley.

Acknowledged Commissioner DeCordova serving as a member of the Nominating Committee to appoint persons to the Board of Trustees of the MHMR Services for the Concho Valley

J. Consider accepting the Nominating Committee recommendations of appointments to the MHMR Services for the Concho Valley Board of Trustees.

Moved to accept Linda Kujawski, Dr. James Limbaugh, Jacqueline Shannon, Pat Trevino, and Jackie Walker for a 2 year term (11-1-11 through 10-31-13) and Anita Aguilar as an alternate in case of a vacancy for the MHMR Services for the Concho Valley Board of Trustees, as nominated and recommended by the Liaison Representatives of the Appointing Agencies.

Motion moved by: Commissioner Precinct 3 Steve Floyd

Motion seconded by: Commissioner Precinct 4 Yantis Green

Ayes: Commissioner Precinct 1 Ralph Hoelscher
 Commissioner Precinct 3 Steve Floyd
 Commissioner Precinct 4 Yantis Green
 County Judge Michael D. Brown

Approved

Attachments:

MHMR Agencies Recommendations

5. Consider line item transfers and budget amendments for FY2011 and FY2012.

Moved to approve the following line item transfer(s) and budget amendments for:

FY2011 Line Item Transfers:

Funds: General

Dept. #	Dept. Name	Account#	Account Description	Budget Increase	Budget Decrease
81	Parks	70440	Utilities	27.43	
192	Contingency	70601	Estimated Reserves		27.43

FY 2012 Line Item Transfers:

Funds: 0001-01-000

<u>Dept. #</u>	<u>Dept. Name</u>	<u>Account#</u>	<u>Account Description</u>	<u>Budget Increase</u>	<u>Budget Decrease</u>
163	CSCD/JP3	70530	Building Repair		3,000.00
163	CSCD/JP3	70440	Utilities	3,000.00	
133	318 North Bell	70530	Building Repair		3,050.00
140	Courthouse	70530	Building Repair	3,050.00	

Funds: 0088-2009 TAN

<u>Dept. #</u>	<u>Dept. Name</u>	<u>Account#</u>	<u>Account Description</u>	<u>Budget Increase</u>	<u>Budget Decrease</u>
163	3020 N. Bryant Building	80501	Building Construction	2,403.00	
141	Keyes Building	80504	Capital Building Improvements		2,403.00

Funds: 0088-01-000

<u>Dept. #</u>	<u>Dept. Name</u>	<u>Account#</u>	<u>Account Description</u>	<u>Budget Increase</u>	<u>Budget Decrease</u>
141	Keyes Building	80504	Capital Building Improvement		1,257.00
163	3020 N. Bryant	80501	Building Construction	1,257.00	
141	Keyes Building	80504	Capital Building Improvement		437.00
163	3020 N. Bryant	80501	Building Construction	437.00	
141	Keyes Building	80504	Capital Building Improvement		560.00
163	3020 N. Bryant	80501	Building Construction	560.00	
141	Keyes Building	80504	Capital Building Improvement		260.00
163	3020 N. Bryant	80501	Building Construction	260.00	
141	Keyes Building	80504	Capital Building Improvement		2,200.00
163	3020 N. Bryant	80501	Building Construction	2,200.00	

Fy 11 Budget Amendment

Funds: 00110 Law Library

<u>Dept. #</u>	<u>Dept. Name</u>	<u>Account#</u>	<u>Account Description</u>	<u>Budget Increase</u>	<u>Budget Decrease</u>
340	Revenue	43432	County Court	695.00	
80	Library	70435	Books	519.00	
80	Library	70528	Electronic Subscriptions	176.00	

Fy 12 Budget Amendment

Funds: 0015 Library Donations

<u>Dept. #</u>	<u>Dept. Name</u>	<u>Account#</u>	<u>Account Description</u>	<u>Budget Increase</u>	<u>Budget Decrease</u>
390	Revenue	43911-12811	Donations	4,600.00	
80	Library	70435-12811	Books	4,600.00	

Motion moved by: County Judge Michael D. Brown

Motion seconded by: Commissioner Precinct 4 Yantis Green

Ayes: Commissioner Precinct 1 Ralph Hoelscher

Commissioner Precinct 3 Steve Floyd

Commissioner Precinct 4 Yantis Green

County Judge Michael D. Brown

Approved

Attachments:FY 11 Budget AmendmentsFY 11 TransfersFY 12 Budget AmendmentsFY 12 Transfers

6. Consider change in policy relating to longevity pay 5.02.09. (Terry Mobley, Director Human Resources)

Moved to adopt the amended Longevity Pay Policy (5.02.09) by striking the words "Assistant District Attorneys" from the second paragraph, as presented.

Motion moved by: County Judge Michael D. Brown

Motion seconded by: Commissioner Precinct 1 Ralph Hoelscher

Ayes: Commissioner Precinct 1 Ralph Hoelscher

Commissioner Precinct 3 Steve Floyd

Commissioner Precinct 4 Yantis Green

County Judge Michael D. Brown

Approved

Attachments:Longevity Pay Policy

7. Consider lease purchase of Road Equipment for Road and Bridge 2 & 4. (Mary Adame)

Move to approve a lease purchase of a 600 Asphalt Zipper in the amount of \$139,000.00 with installment payments being made through Welch State Bank of Welch, OK, with the first payment due in the next fiscal year, as presented, for Road and Bridge Precincts 2 & 4.

Motion moved by: Commissioner Precinct 3 Steve Floyd

Motion seconded by: Commissioner Precinct 1 Ralph Hoelscher

Ayes: Commissioner Precinct 1 Ralph Hoelscher

Commissioner Precinct 3 Steve Floyd

Commissioner Precinct 4 Yantis Green

County Judge Michael D. Brown

Approved

Attachments:Payment proposals for Zipper

8. Consider and approve \$150 per month raise for 3 supervisory positions and \$100 per month for 1 deputy clerk position in the District Clerk's Office directly related to additional duties and responsibilities required in on-going support and issues to the Odyssey Case Management System. (Sheri Woodfin)

Moved to table request for positions in the District Clerk's Office directly related to additional duties and responsibilities required in on-going support and issues to the Odyssey Case Management System, to study the impact of all offices that might also be considered.

Motion moved by: Commissioner Precinct 3 Steve Floyd

Motion seconded by: Commissioner Precinct 4 Yantis Green

Ayes: Commissioner Precinct 1 Ralph Hoelscher
Commissioner Precinct 3 Steve Floyd
Commissioner Precinct 4 Yantis Green
County Judge Michael D. Brown

Approved

9. Consider approval of Treasurer's September 2011 Monthly Report. (Dianna Spieker)

Moved to approve the Treasurer's September 2011 Monthly Report, as presented.

Motion moved by: Commissioner Precinct 3 Steve Floyd

Motion seconded by: Commissioner Precinct 1 Ralph Hoelscher

Ayes: Commissioner Precinct 1 Ralph Hoelscher
Commissioner Precinct 3 Steve Floyd
Commissioner Precinct 4 Yantis Green
County Judge Michael D. Brown

Approved

Attachments:

September Treasurer's Report

Approval

10. Consider authorizing County Judge to sign Reducing Adult Potentially Preventable Hospitalizations contract with Department of State Health Services. (Dianna Spieker)

Moved to authorize the County Judge to sign Reducing Adult Potentially Preventable Hospitalizations contract with Department of State Health Services to accept the \$150,000.00 (3 Grants @ \$50,000.00) in grant funds, pursuant to the contract review by the Court's Counsel.

Motion moved by: County Judge Michael D. Brown

Motion seconded by: Commissioner Precinct 3 Steve Floyd

Ayes: Commissioner Precinct 1 Ralph Hoelscher
Commissioner Precinct 3 Steve Floyd
Commissioner Precinct 4 Yantis Green
County Judge Michael D. Brown

Approved

11. Consider increasing the Real Estate change drawer in the County Clerk's Office from the current \$100.00 to \$150.00 to accommodate individual change drawers for the section. (Elizabeth McGill)

Tabled for review by Auditor.

12. Consider request permission to apply for an NRA Grant in the amount of \$20,250.00 for the purchase of 5 bullet proof vests and \$16,000.00 worth of training and duty ammunition.
(Christina Lopez)

Moved to authorize permission for the Sheriff's Department to apply for a NRA Grant in the amount of \$20,250.00 to be used to purchase 5 bullet proof vests and \$16,000.00 worth of training and duty ammunition, as presented.

Motion moved by: County Judge Michael D. Brown

Motion seconded by: Commissioner Precinct 1 Ralph Hoelscher

Ayes: Commissioner Precinct 1 Ralph Hoelscher
 Commissioner Precinct 3 Steve Floyd
 Commissioner Precinct 4 Yantis Green
 County Judge Michael D. Brown

Approved

13. No County Wide Burn Ban.

This morning the TGC Commissioners' Court decided NOT to reinstate the burn ban for at least one more week based on the recommendation of City-County Emergency Management Coordinator, Ron Perry and area Volunteer Fire Departments.

Mr. Perry based his recommendation on the Texas Forestry Service: Fuel Dryness Map, Keetch – Byram Drought Index and Daily Fire Danger Map; and also cited the TxDOT Division of Emergency Management State Situation Report and discussions with National Weather Service personnel.

14. Consider Tom Green County addressing issues. **No Action.**

15. Consider issues dealing with the following ongoing construction/remodeling projects and take any action necessary: **Updates only.....No Action**

A. 3020 N. Bryant Bldg Project.

Exterior lighting for building and parking lots is in progress. Countertops have been approved. The electricity for the Classrooms is being installed.

B. Courthouse basement remodel.

Mold assessment will be done Thursday. The asbestos report should be in today. There are some hot spots in the adhesives used, but not all over.

C. Judge Edd B. Keyes Building remodel.

Don will be meeting with the Department Heads with the preliminary plans this week.

D. County Shop remodel.

Templeton has done an onsite inspection and will review estimates. A plan has been developed to secure the worksites as they progress.

16. Future Agenda Items:

1. Consider increasing the Real Estate change drawer in the County Clerk's Office from the current \$100.00 to \$150.00 to accommodate individual change drawers for the section. (Elizabeth McGill)

2. Consider compensation for designated employees, involved with the Odyssey Conversion and on-going problem resolutions.

17. Announcements:

1. Thank you to the San Angelo Standard Times and KLST for coverage of our meetings.

2. Early Voting on Constitutional Amendment Election is in progress at the downtown location.

3. All Tom Green County Offices will be closed Friday, November 11th, in observance of Veteran's Day.

4. The Veteran's Day Parade will be Saturday, November 5th, downtown.

5. The CSCD will host an open house Friday, November the 4th from 3 to 5.

6. The CVCOG General Assembly will have their annual meeting at the River Terrace Restaurant November the 9th.

7. The control panel for the elevator in the Court Street Annex Building has come in and installation will begin tomorrow.

18. Judge Brown adjourned the meeting at 9:35 AM.

As per HB 2931, Section 4:

I, Elizabeth McGill, County Clerk of Tom Green County, Texas do hereby attest that this is an accurate accounting of the proceedings of the Commissioners' Court Meeting that met in Regular Session on October 25th, 2011.

I hereby set my hand and seal to this record October 25th, 2011.

Elizabeth "Liz" McGill

County Clerk and Ex-officio Clerk of the Commissioners' Court

AgendaQuick©2005 - 2012 Destiny Software Inc., All Rights Reserved

EXHIBIT G TO EQUIPMENT LEASE-PURCHASE AGREEMENT

Dated February 21, 2012 Between Welch State Bank as Lessor and Tom Green County as Lessee.

INSURANCE REQUIREMENTS

In accordance with the Equipment Lease-Purchase Agreement requirements for insurance coverage, the Lessee has instructed the insurance agent to issue:

- a. All Risk Physical Damage Insurance on the leased Equipment as defined in the Agreement, and in an amount at least equal to the then applicable Purchase Price of the Equipment, evidenced by a Certificate of Insurance and Long Form Loss Payable Clause naming Lessor "and/or its assigns" Loss Payee.
- b. Public Liability Insurance evidenced by a Certificate of Insurance naming "Lessor and/or its Assigns" as an Additional Insured and with the following minimum coverage:

Equipment Description: Asphalt Zipper 600 SN# 60000139; with trailer VIN# 109FS1826BU021920

\$500,000.00 per person
 \$500,000.00 aggregate bodily injury liability
 \$300,000.00 property damage liability

Insurance Agent (provide name, address and telephone number):

USI Southwest
133 W. Concho Avenue, Ste 301
San Angelo, TX 76903
325-655-5656

Proof of insurance coverage or a "Self-Insurance" Letter must be provided to Lessor prior to the time the Equipment is delivered.

EXHIBIT H TO EQUIPMENT LEASE-PURCHASE AGREEMENT

Dated February 21, 2012 Between Welch State Bank as Lessor and Tom Green County as Lessee.

CERTIFICATE OF BANK ELIGIBILITY

This Certificate of Bank Eligibility is entered into and executed by the Tom Green County as Lessee, supplementing and adding to the Equipment Lease-Purchase Agreement (the "Agreement").

Lessee hereby certifies that it has not issued or effected the issuance of, and reasonably anticipates that it and its subordinate entities shall not issue or effect the issuance of, more than ten million dollars (\$10,000,000.00) of tax-exempt obligations during the 2012 calendar year and hereby designates the Agreement as a "qualified tax-exempt obligation", as defined by Section 256 (b)(3) of the Internal Revenue Code of 1986, as amended.

Lessee: Tom Green County

By: 
 Mike Brown

Title: County Judge

INVOICE INSTRUCTIONS

Please fill in below the address that invoices for the payments should be sent to:

Person/Department: Johnny Grimaldo Purchasing Department

Name of Lessee: Tom Green County

Street/P.O. Box 113 W. Beauregard

City, State, Zip San Angelo, Tx 76903

Equipment Lease-Purchase Agreement between Welch State Bank as Lessor and Tom Green County as Lessee dated February 21, 2012

Equipment Description: Asphalt Zipper 600 SN# 60000139; with trailer VIN# 109FS1826BU021920

Purchase Order or other information that must be on the invoice:

Name and phone number of person to contact if payment is not received by due date:

Name: Johnny Grimaldo

Phone Number () 325-659-6500

Information Return for Tax-Exempt Governmental Obligations

► Under Internal Revenue Code section 149(e)
 ► See separate instructions.
Caution: If the issue price is under \$100,000, use Form 8038-GC.

OMB No. 1545-0720

Part I Reporting Authority If Amended Return, check here

1 Issuer's name Tom Green County		2 Issuer's employer identification number (EIN) 75-6001184	
3a Name of person (other than issuer) with whom the IRS may communicate about this return (see instructions)		3b Telephone number of other person shown on 3a	
4 Number and street (or P.O. box if mail is not delivered to street address) 112 W. Harris	Room/suite San Angelo,	5 Report number (For IRS Use Only) 3	
6 City, town, or post office, state, and ZIP code San Angelo, TX 76903		7 Date of issue 02/21/2012	
8 Name of issue Lease/Purchase		9 CUSIP number	
10a Name and title of officer or other employee of the issuer whom the IRS may call for more information (see instructions) Mike Brown, County Judge		10b Telephone number of officer or other employee shown on 10a 325-653-3318	

Part II Type of Issue (enter the issue price). See the instructions and attach schedule.

11 Education			
12 Health and hospital			
13 Transportation			
14 Public safety			
15 Environment (including sewage bonds)			
16 Housing			
17 Utilities			
18 Other. Describe ► Lease/Purchase		139,200	00
19 If obligations are TANs or RANs, check only box 19a	<input type="checkbox"/>		
If obligations are BANs, check only box 19b	<input type="checkbox"/>		
20 If obligations are in the form of a lease or installment sale, check box	<input checked="" type="checkbox"/>		

Part III Description of Obligations. Complete for the entire issue for which this form is being filed.

	(a) Final maturity date	(b) Issue price	(c) Stated redemption price at maturity	(d) Weighted average maturity	(e) Yield
21	10/30/2016	\$ 139,200.00	N/A	4 years	3.39 %

Part IV Uses of Proceeds of Bond Issue (including underwriters' discount)

22 Proceeds used for accrued interest			
23 Issue price of entire issue (enter amount from line 21, column (b))			
24 Proceeds used for bond issuance costs (including underwriters' discount)	24		
25 Proceeds used for credit enhancement	25		
26 Proceeds allocated to reasonably required reserve or replacement fund	26		
27 Proceeds used to currently refund prior issues	27		
28 Proceeds used to advance refund prior issues	28		
29 Total (add lines 24 through 28)	29		
30 Nonrefunding proceeds of the issue (subtract line 29 from line 23 and enter amount here)	30		

Part V Description of Refunded Bonds. Complete this part only for refunding bonds.

31 Enter the remaining weighted average maturity of the bonds to be currently refunded	►	
32 Enter the remaining weighted average maturity of the bonds to be advance refunded	►	
33 Enter the last date on which the refunded bonds will be called (MM/DD/YYYY)	►	
34 Enter the date(s) the refunded bonds were issued (MM/DD/YYYY)	►	

Request for Taxpayer Identification Number and Certification

**Give Form to the
requester. Do not
send to the IRS.**

Print or type See Specific Instructions on page 2.	Name (as shown on your income tax return) Tom Green County	
	Business name/disregarded entity name, if different from above	
	Check appropriate box for federal tax classification (required): <input type="checkbox"/> Individual/sole proprietor <input type="checkbox"/> C Corporation <input type="checkbox"/> S Corporation <input type="checkbox"/> Partnership <input type="checkbox"/> Trust/estate <input type="checkbox"/> Limited liability company. Enter the tax classification (C=C corporation, S=S corporation, P=partnership) ▶ _____ <input checked="" type="checkbox"/> Other (see instructions) ▶ _____	
	Municipality	<input type="checkbox"/> Exempt payee
	Address (number, street, and apt. or suite no.) 112 W. Harris	Requester's name and address (optional)
City, state, and ZIP code San Angelo, TX 76903		
List account number(s) here (optional)		

Part I Taxpayer Identification Number (TIN)																																						
Enter your TIN in the appropriate box. The TIN provided must match the name given on the "Name" line to avoid backup withholding. For individuals, this is your social security number (SSN). However, for a resident alien, sole proprietor, or disregarded entity, see the Part I instructions on page 3. For other entities, it is your employer identification number (EIN). If you do not have a number, see <i>How to get a TIN</i> on page 3.																																						
Note. If the account is in more than one name, see the chart on page 4 for guidelines on whose number to enter.	<table border="1" style="margin: 0 auto;"> <tr><td colspan="9">Social security number</td></tr> <tr><td> </td><td> </td><td> </td><td>-</td><td> </td><td> </td><td> </td><td> </td><td> </td></tr> </table> <table border="1" style="margin: 0 auto;"> <tr><td colspan="9">Employer identification number</td></tr> <tr><td>7</td><td>5</td><td>-</td><td>6</td><td>0</td><td>0</td><td>1</td><td>1</td><td>8</td><td>4</td></tr> </table>	Social security number												-						Employer identification number									7	5	-	6	0	0	1	1	8	4
Social security number																																						
			-																																			
Employer identification number																																						
7	5	-	6	0	0	1	1	8	4																													

Part II Certification	
Under penalties of perjury, I certify that:	
1. The number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me), and 2. I am not subject to backup withholding because: (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding, and 3. I am a U.S. citizen or other U.S. person (defined below).	
Certification instructions. You must cross out item 2 above if you have been notified by the IRS that you are currently subject to backup withholding because you have failed to report all interest and dividends on your tax return. For real estate transactions, item 2 does not apply. For mortgage interest paid, acquisition or abandonment of secured property, cancellation of debt, contributions to an individual retirement arrangement (IRA), and generally, payments other than interest and dividends, you are not required to sign the certification, but you must provide your correct TIN. See the instructions on page 4.	
Sign Here	Signature of U.S. person ▶ <div style="float: right; text-align: right;"> Date ▶ MAR - 1 2012 </div>

General Instructions
Section references are to the Internal Revenue Code unless otherwise noted.

Purpose of Form
A person who is required to file an information return with the IRS must obtain your correct taxpayer identification number (TIN) to report, for example, income paid to you, real estate transactions, mortgage interest you paid, acquisition or abandonment of secured property, cancellation of debt, or contributions you made to an IRA.

Use Form W-9 only if you are a U.S. person (including a resident alien), to provide your correct TIN to the person requesting it (the requester) and, when applicable, to:

1. Certify that the TIN you are giving is correct (or you are waiting for a number to be issued),
2. Certify that you are not subject to backup withholding, or
3. Claim exemption from backup withholding if you are a U.S. exempt payee. If applicable, you are also certifying that as a U.S. person, your allocable share of any partnership income from a U.S. trade or business is not subject to the withholding tax on foreign partners' share of effectively connected income.

Note. If a requester gives you a form other than Form W-9 to request your TIN, you must use the requester's form if it is substantially similar to this Form W-9.

Definition of a U.S. person. For federal tax purposes, you are considered a U.S. person if you are:

- An individual who is a U.S. citizen or U.S. resident alien,
- A partnership, corporation, company, or association created or organized in the United States or under the laws of the United States,
- An estate (other than a foreign estate), or
- A domestic trust (as defined in Regulations section 301.7701-7).

Special rules for partnerships. Partnerships that conduct a trade or business in the United States are generally required to pay a withholding tax on any foreign partners' share of income from such business. Further, in certain cases where a Form W-9 has not been received, a partnership is required to presume that a partner is a foreign person, and pay the withholding tax. Therefore, if you are a U.S. person that is a partner in a partnership conducting a trade or business in the United States, provide Form W-9 to the partnership to establish your U.S. status and avoid withholding on your share of partnership income.