

2/16/2010

County Hunt

SUBJECT: Request for Waiver of Local Match Fund
Participation Requirement on Federal
Off-System Bridge Program Project

11, 451
FILED FOR RECORD
at 2 o'clock P M

MAR - 8 2010

LINDA BROOKS
County Clerk, Hunt County, Tex.
By L. Brooks

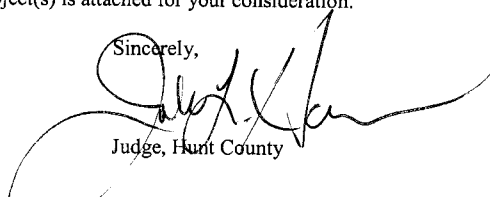
Mr. Bobby G. Littlefield, Jr., P.E.
TxDOT District Engineer
1365 North Main Street
Paris, Texas 75460

Dear Mr. Littlefield:

Under the provisions of Texas Administrative Code, Title 43, Section 15.55(d), this Local Government requests waiver of the local match fund participation requirement on the federal off-system bridge program projects on the attached list of projects currently authorized for development, referred to as the "participation-waived" projects. In return for waiver of this participation, it is proposed that our governing body perform, or cause to be performed, an equivalent dollar amount of structural improvement work on other deficient bridge(s) or deficient mainlane cross-drainage structure(s), referred to as "equivalent-match project(s)", within the jurisdiction of our governing body.

The location(s), description of structural improvement work proposed, and estimated cost for the proposed equivalent-match project(s) is attached for your consideration.

Sincerely,


Judge, Hunt County

Attachment: List of Approved Highway Bridge Program (HBP) Projects
Equivalent Match Request Cost Estimate Worksheets

MAR - 8 2010

A RESOLUTION DECLARING THE COUNTY HUNT, TEXAS ELECTS TO ADOPT A NEW TAX ABATEMENT POLICY SETTING OUT GUIDELINES AND CRITERIA IN ACCORDANCE WITH TEXAS TAX CODE ANN. 312.0001 ET.SEQ., OTHERWISE KNOWN AS THE PROPERTY REDEVELOPMENT AND TAX ABATEMENT ACT, GOVERNING THE CREATION OF TAX ABATEMENT REINVESTMENT ZONES AND THE EXECUTION OF ALL TAX ABATEMENT AGREEMENTS BY THE COUNTY OF HUNT.

LINDA BROOKS
County Clerk, Hunt County, Tex.
[Signature]

WHEREAS, the enhancement of the local economy is in the best interest of the citizens of Hunt County, and

WHEREAS, the creation of specified tax abatement reinvestment zones and the execution of tax abatement agreements will be reasonably likely to contribute to the retention or expansion of primary employment or to attract major investment that would be a benefit to the property and would contribute to the economic development of Hunt County; and

WHEREAS, the Property Redevelopment and Tax Abatement Act requires counties to establish local guidelines and criteria for the creation of tax abatement reinvestment zones and the execution of tax abatement agreements; and

WHEREAS, the guidelines and criteria adopted by Hunt County are no longer effective in accordance with the Property Redevelopment and Tax Abatement Act; and

WHEREAS, the Property Redevelopment and Tax Abatement Act requires the County to adopt new guidelines and criteria governing all tax abatement agreements entered into by the County.

NOW, THEREFORE, BE IT RESOLVED BY THE MEMBERS OF THE COMMISSIONERS' COURT, OF HUNT COUNTY, TEXAS;

A. That the guidelines and criteria outlined in Exhibit 'A' of this Resolution which govern tax abatement agreements are hereby adopted by the Commissioners' Court and shall remain in effect for two (2) years from the date herein unless amended or repealed by a vote of four fifths of the members of the Commissioners' Court.

B. That this resolution shall take effect immediately from and after its passage.

PASSED AND APPROVED THIS THE 8 DAY OF MARCH, 2010.

[Signature]
John Horn, Judge

ATTEST:

Jennette Burnett, CEDC Executive Director

EXHIBIT "A"

CITY OF COMMERCE COUNTY OF HUNT and HUNT MEMORIAL HOSPITAL DISTRICT

TAX ABATEMENT POLICY

THE FOLLOWING ESTABLISHES GUIDELINES AND CRITERIA AS ADOPTED BY THE CITY COUNCIL OF THE CITY OF COMMERCE, TEXAS, THE HUNT COUNTY COMMISSIONERS COURT AND THE HUNT MEMORIAL HOSPITAL DISTRICT IN HUNT COUNTY, TEXAS IN ACCORDANCE WITH TEXAS TAX CODE ANN. 312.001 ET.SEQ., OTHERWISE KNOWN AS THE PROPERTY REDEVELOPMENT AND TAX ABATEMENT ACT, GOVERNING PROPERTY TAX ABATEMENT AGREEMENTS. NOTHING HEREIN SHALL IMPLY OR SUGGEST THAT THE CITY OF COMMERCE, COUNTY OF HUNT OR THE HUNT MEMORIAL HOSPITAL DISTRICT IS UNDER ANY OBLIGATION TO PROVIDE TAX ABATEMENT TO ANY APPLICANT. ALL APPLICATIONS WILL BE CONSIDERED ON A CASE BY CASE BASIS.

I. GENERAL PURPOSE OBJECTIVES

THE CITY OF COMMERCE (herein called the "City"), THE COUNTY OF HUNT (herein called the "County"), and THE HUNT MEMORIAL HOSPITAL DISTRICT (herein called the "District"), is committed to the promotion of high quality development in all parts of the community, District and/or County; and to an ongoing improvement in the quality of life for its citizens. Insofar as these objectives are generally served by the enhancement and expansion of the local economy, the City Council, Commissioners' Court and/or Board of Directors finds that said consideration will be provided in accordance with the procedures and criteria outlined in this document.

II. DEFINITIONS

- A. "Abatement" or "abatement" means "tax abatement", which is the full or partial exemption from ad valorem taxes of certain real and tangible personal property in a Reinvestment Zone designated for economic development purposes.
- B. "Agreement" means the written agreement for tax abatement between a property owner and/or lessee and the City.
- C. "Authorized Facility". A facility may be eligible for abatement if it is a Manufacturing Facility, a Research Facility, a Regional Distribution Facility, or Other Basic Industry (all of which terms are defined below).

- D. "Base Year Value" means the assessed value of eligible property as of January 1, preceding the date of execution of the agreement plus the agreed upon value of eligible property improvements made after January 1, but before the execution of the agreement. The Base Year Value may be adjusted either up or down from year to year as per renditions by the Lamar County Appraisal District.
- E. "Employer" means the owner or lessee of Property who provides Jobs within the Reinvestment Zone or within the Enterprise Zone, applying for tax abatement.

"Enterprise Zone" means an area of land designated as such under Chapter 2303 of the Texas Government Code.

- F. "Jobs" or "a Job" as used herein means a position of full-time employment for an individual to work 32 hours or more per week for an Employer, in which position the individual is provided the benefits normally offered by the Employer, such as health insurance, vacation time and some form of retirement benefit. A Job is not a position filled for the Employer as a worker or employee of an employment agency or service. "Jobs" as used herein includes "Full-time Equivalent Jobs", as defined below.
- G. "Full-time Equivalent Jobs" means a number of part-time jobs where the hours worked in each such job is less than 32 hours per week, made available by one Employer and added together. For example, sixteen (16) part-time jobs made available by one Employer where all such part-time jobs added together require a total of 352 hours of work per week (but no such part-time job requires 32 hours of work or more per week), will equal eleven (11) Full-time Equivalent Jobs (352 hours divided by 32 hours per week equal 11). Full-time Equivalent Jobs do not require the employee to receive benefits from the Employer.
- H. "Manufacturing Facility" means buildings and structures, including fixed machinery and equipment, the purpose of which is or will be the manufacture of tangible goods or materials or the processing of such goods or materials by physical or chemical change. Facilities primarily engaged in assembling component parts of manufactured products are also considered manufacturing facilities.
- I. "Modernization" means the replacement and upgrading of existing facilities which increases the productive input or output, updates the technology, or substantially lowers the unit cost of operation. Modernization may result from the construction, alteration or installation of buildings, structures, fixed machinery or equipment, but shall not be for the purpose of reconditioning, refurbishing, repairing, or deferred maintenance.
- J. "Other Basic Industry" means buildings and structures, including fixed machinery and equipment, not elsewhere described, used, or to be used for the production of products or services which result in the creation of new Jobs and bring new wealth into the City, District and/or County.
- K. "Personal Property" means machinery, equipment, tools, shelving or materials eligible under applicable law for tax abatement, which can be removed from an authorized facility described in Section IV (a) below.
- L. "Property" means Real Property or Personal Property defined herein, as is applicable according to the context where used herein, that is eligible for tax abatement.

- M. "Real Property" means the land within an Enterprise Zone or a Reinvestment Zone, together with all improvements and fixtures constructed or otherwise situated thereon.
- N. "Regional Distribution Facility" means buildings and structures, including fixed machinery and equipment, used or to be used primarily to receive, store, service, or distribute goods or materials where a majority of the goods or services are distributed to points at least 100 miles from its location in the City.
- O. "Reinvestment Zone" is an area where the City or County has decided to influence development patterns and attract major investments that will contribute to the development of the area through the use of tax abatement for specified improvements.
- P. "Research Facility" means buildings and structures, including fixed machinery and equipment, used or to be used primarily for research or experimentation to improve or develop new tangible goods or materials or to improve or develop the production processes thereto.
- Q. "Tax Abatement Committee" means the committee of persons designated from time to time by the Commerce Economic Development Corporation to study, review and recommend tax abatements to the applicable taxing entities in the community. The Tax Abatement Committee will be composed of one person from each of the City (the City Manager or designee), the County of Hunt (the County Judge or designee), Hunt Memorial Hospital District Board (the President or designee), the Chief Appraiser of the Hunt County Appraisal District, and the Executive Director of the Commerce Economic Development Corporation.

III. CRITERIA

BEFORE THE CITY OF COMMERCE or any taxing unit can create a reinvestment zone or enter an abatement agreement with a property owner:

- A. The City, County and/or District must pass an official resolution stating that the unit elects to become eligible to participate in abatement.
- B. The City, County and/or District must enact guidelines and criteria governing tax abatements
 - 1. The guidelines and criteria are effective for two years and during that period a four fifths vote of the Council, Commissioners' and/or Board of Director's is necessary to amend or repeal them.
- C. Creation of a Reinvestment Zone
 - 1. The City, County and/or District must give notice of its public hearing to consider the creation of a reinvestment zone.
 - (a) At least seven days before the hearing, the city must publish notice of its hearing in a newspaper of general circulation.
 - (b) At least seven days before the hearing, written notice of the hearing must be delivered to the presiding officer of the governing body of each taxing unit that taxes property in the proposed reinvestment zone.

2. The City must conduct a public hearing at which members of the public can speak or present evidence for or against the proposed reinvestment zone.
3. After the hearing the City Council must find that the proposed reinvestment zone meets at least one of the seven criteria set out in 112.202 Tax Code.
4. The City must determine that improvements sought are feasible and practical and would be a benefit to the land to be included in the zone.
5. The City must pass an ordinance creating the reinvestment zone. The ordinance must describe the boundaries of the zone and describe its eligibility for abatement.
6. A reinvestment zone shall last for five years, but may be renewed for another period of up to five years.

D. Tax Abatement Agreements

1. The City Council, Hunt County Commissioners' Court and the Hunt Memorial Hospital District Board of Directors or their appointed representative shall be designated the job of determining whether the city, county or hospital district should consider a particular tax abatement agreement. In the Agreement the City, Commissioners' Court and/or Hunt Memorial Hospital District Board agrees to exempt a portion of the value of a property on the condition that a property owner make specific improvements or repairs to the property.
 - (a) The agreement can exempt the value of a real property only to the extent that it exceeds the appraised value of that property for the year in which the agreement is entered.
 - (b) The agreement can exempt the value of personal property except for personal property that was present on the real property before the period covered by the abatement agreement and inventory and supplies.
 - (c) The agreement can call for the property owner to build new improvements and or repair and remodel existing improvements.
 - (d) The agreement must list the kind, number and location of all proposed improvements.
 - (e) The agreement must contain each term agreed to by the property owner.
 - (f) The agreement must provide access to and inspection of the subject property by the city to ensure that the property owner makes the improvements according to the agreement.
 - (g) The agreement must limit the use of the property.
 - (h) The agreement must require the property owner to certify annually to the taxing units' governing bodies that it is in compliance with each applicable term of the agreement.
 - (i) The agreement must provide that it may be canceled by the city if the property owner fails to comply with the agreement.
 - (j) The agreement must provide for the recapture of taxes on exempt value, if the property owner fails to make the designated improvements.
 - (k) The agreement may last up to seven years.
 - (l) The agreement may include other provisions under 312.205b tax code.

2. At least seven days before entering the proposed agreement, the City's designated officer or employee must deliver written notice of the proposed agreement and copy of the agreement to the Presiding officer of the governing body of each taxing unit with jurisdiction to tax the property which is the subject of the proposed agreement. The governing body of another taxing unit can take official action to waive this notice.
3. The city must find that the terms of the proposed agreement are consistent with the municipalities' guidelines and criteria.
4. The agreement must be approved by a majority of the City Council at a regularly scheduled meeting.
5. After it has been approved by the City Council, the abatement agreement can be executed like any other contract involving the City.
6. Any other abatement agreements entered with the property owners in the reinvestment zone must be identical to the first agreement with respect to the portion of value to be exempted and the duration of the exemption.
7. The City must given the Appraisal District written notice of an abatement agreement within thirty (30) days of entering the agreement.
8. The property owner will need to file a written exemption application with the appraisal district in each tax year in which it is claiming an exemption pursuant to the abatement agreement. If everything is in order, the appraisal district should show a partial exemption for the property on the appraisal roll of each taxing unit that has entered an abatement agreement with the property owner.
9. Any time before its expiration or termination, an abatement agreement may be modified by the parties. As modified, the agreement can include other provisions that could have been included in the original agreement, or omit unnecessary provisions from the original agreement.
 - (a) The term of the agreement can be extended to last up to a total of ten years.
 - (b) The modification of an agreement is accomplished through the same procedures as the original execution of the abatement agreement.
10. The agreement may be terminated with the mutual consent of the parties.
 - (a) Termination must be accomplished through the same procedures as the original execution of the abatement agreement.

IV. ABATEMENT AUTHORIZED

- A. All types of facilities/projects will be eligible for abatement if they meet the criteria set forth in this policy.

- B. Creation of new value abatement may only be granted for the additional value resulting from improvements to eligible property made subsequent to and specified in an abatement agreement between the City of Commerce, Hunt County and/or the Hunt Memorial Hospital District and the property owner, subject to such limitations as the city County and/or Hospital District may require.
- C. New and existing facilities abatement may be granted for new facilities and improvements to existing facilities for purpose of modernization or expansion.
- D. Eligible real property may be extended to the value of buildings, structures, fixed machinery and equipment and site improvements plus that office space necessary to the operation and administration of the facility.
- E. Ineligible property shall be fully taxable and ineligible for abatement. The following types of property shall be ineligible for abatement under this policy land, inventories, supplies, tools, furnishings, and other forms of moveable personal property, vehicles, vessels, aircraft, housing, hotel accommodations, deferred maintenance investments, property which has a useful life of less than fifteen (15) years, property owned or used by the State of Texas or its political subdivision or by any organization owned, operated or directed by a political subdivision of the State of Texas.
- F. Owned and leased facilities, in order for a facility to qualify for abatement, the land and eligible property must be owned by the same individual or company or leased to a facility operator whose lease commitment is at least fifteen (15) years.
- G. Expansion of existing Industry/business, a facility or business that has been in operation for five (5) years or more and meets the other requirements as set forth in this policy will be eligible for tax abatement.
- H. Expansion of utilities/ system oil wells and mineral reserves are ineligible for abatement.

V. FORMULA

- A. Once a determination has been made that tax abatement should be offered, projects will be evaluated and based upon the total project cost as stated In the above policy. Tax abatement will apply to real property as stated in this policy. The value and term of the abatement will be determined by referencing the following table:

- 1. Facility/project adding at least \$500,000 to Appraisal Rolls.

- A. New Project of Improvements or Facilities

<u>Years of Abatement</u>	<u>Percent of Abatement</u>
During construction, limited to one year.	
1 st Year	100%

After the one year construction period the following formula shall apply.

1st Year	90%
2 nd Year	70%
3rd Year	50%
4 th Year	40%
5th Year	30%
6th Year	20%
7 th Year	10%
8 th Year	0 %

Existing Facilities in operation more than five years

<u>Years of Abatement</u>	<u>Percent of Abatement</u>
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During construction, limited to one year.

1st year	100%
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After the one year construction period the following formula shall apply.

1st Year	90%
2 nd Year	70%
3rd Year	50%
4 th Year	40%
5th Year	30%
6th Year	20%
7 th Year	10%
8 th Year	0 %

Abatement on projects above two million dollars (both real and personal property) is open to negotiation. Construction is limited to one year and maximum years of abatement will not exceed the maximum number of years according to State Law.

VI. PRELIMINARY APPLICATION STEPS

- A. Applicant shall complete the attached "application for tax abatement."
- B. Applicant shall address all criteria questions outlined in Section VII of this policy in letter format.
- C. Applicant shall prepare a plat showing the precise location of the property, all roadways within 500 feet of the site, and all existing land uses and zoning within 500 feet of the site.

D. If the property is described by metes and bounds, a complete legal description shall be provided.

E. Applicant shall complete all forms and information detailed in items A through D above and submits them to the City of Commerce, City Administrator's Office.

VII. APPLICATION REVIEW STEPS

- A. All information in the application package detailed above will be reviewed for completeness and accuracy. Additional information may be requested as needed.
- B. The application will be distributed to the appropriate departments of the five taxing entities for internal review and comments. Additional information may be requested as needed.
- C. Copies of the complete application package and staff comments will be provided to all taxing entities within the district.

VIII. OBJECTIVE/SUBJECTIVE FACTORS

This section is to be completed by the applicant. In order to be eligible to receive tax abatement the proposed project will be evaluated by the following:

A. Objective factors:

1. Employment Impact:

- a. How many jobs will be created?
- b. What will the total annual payroll be?

2. Fiscal Impact:

- a. How much real and personal property value will be added to the tax roll?
- b. How much direct sales tax will be generated?
- c. What infrastructure construction would be required?

The project must result in at least \$500,000 being added to the appraisal rolls. (Project includes both real and personal property).

3. Community Impact:

- a. What type of pollutants, if any, will be created by the project?
- b. How compatible is the project with any applicable comprehensive plan?

- c. Can the project serve as a prototype and catalyst for other development of higher standards?
- d. The project must not have a primary affect of transferring jobs within the county.
- e. The project has high visibility, image impact, or is of a significantly higher level of development.

B. Subjective Factors:

1. Is project's Sponsor a local company?
2. What types and values of public improvements, if any, will be made by the applicant?
3. Does, or can, the project meet all relevant zoning, subdivision and other legal requirements?
4. Does the project provide particular benefit to an area of the City of Commerce targeted for revitalization?
5. Will the project substantially increase the business opportunities of existing local suppliers and contractors?
6. Will the project compete with existing businesses to the detriment of the local economy?
7. Does the project pose any negative environmental, operational, visual or other impacts? (I.e. pollution, noise, traffic congestion, etc.)
8. Is the project in an area which might not otherwise be developed because of constraints of topography ownership patterns, site configuration, etc.?
9. What impact will be project have on other taxing entities?
10. How will this project affect existing business/industries?

APPLICATION FOR TAX ABATEMENT

PROPERTY PROJECT DESCRIPTION

1. **Property Owner** _____

Mailing Address _____

Phone Number _____

2. **Project Sponsor** _____

Mailing Address _____

Telephone _____

3. **Applicant's Representative** _____

Mailing Address _____

Telephone _____

4. **Property Address** _____

Provide Legal Description _____

5. **Located in:** **City of Commerce**
Hunt County
Hunt Memorial Hospital District

6. Description of Project: _____

Use additional sheet if needed.

7. Date(s) projected for occupation of project/initiation of operations: _____

8. Any additional comments: _____

11,457

AGREEMENT FOR
ARBITRAGE REBATE COMPLIANCE SERVICES
BETWEEN
HUNT COUNTY, TEXAS
(Hereinafter Referred to as the "Issuer")
AND
FIRST SOUTHWEST ASSET MANAGEMENT, INC.
(Hereinafter Referred to as "First Southwest")

FILED FOR RECORD
at 2 o'clock P M
MAR - 8 2010
LINDA BROOKS
County Clerk, Hunt County, Tex.
By [Signature]

It is understood and agreed that the Issuer, in connection with the sale and delivery of certain bonds, notes, certificates, or other tax-exempt obligations (the "**Bonds**"), will have the need to determine to what extent, if any, it will be required to rebate certain investment earnings (the amount of such rebate being referred to herein as the "**Arbitrage Amount**") from the proceeds of the Bonds to the United States of America pursuant to the provisions of Section 148(f)(2) of the Internal Revenue Code of 1986, as amended (the "**Code**"). For purposes of this Agreement, the term "Arbitrage Amount" includes payments made under the election to pay penalty in lieu of rebate for a qualified construction issue under Section 148(f)(4) of the Code.

We are pleased to submit the following proposal for consideration; and if the proposal is accepted by the Issuer, it shall become the agreement (the "**Agreement**") between the Issuer and First Southwest effective at the date of its acceptance as provided for herein below.

- 1. This Agreement shall apply to all issues of tax-exempt Bonds delivered subsequent to the effective date of the rebate requirements under the Code, except for (i) issues which qualify for exceptions to the rebate requirements in accordance with Section 148 of the Code and related Treasury regulations, or (ii) issues excluded by the Issuer in writing in accordance with the further provisions hereof, (iii) new issues effected in a fashion whereby First Southwest is unaware of the existence of such issue, (iv) issues in which, for reasons outside the control of First Southwest, First Southwest is unable to procure the necessary information required to perform such services.

Covenants of First Southwest

- 2. We agree to provide our professional services in determining the Arbitrage Amount with regard to the Bonds. The Issuer will assume and pay the fee of First Southwest as such fee is set out in Appendix A attached hereto. First Southwest shall not be responsible for any extraordinary expenses incurred on behalf of Issuer in connection with providing such professional services, including any costs incident to litigation, mandamus action, test case or other similar legal actions.
- 3. We agree to perform the following duties in connection with providing arbitrage rebate compliance services:
 - a. To cooperate fully with the Issuer in reviewing the schedule of investments made by the Issuer with (i) proceeds from the Bonds, and (ii) proceeds of other funds of the Issuer which, under Treasury Regulations Section 1.148, or any successor regulations thereto, are subject to the rebate requirements of the Code;
 - b. To perform, or cause to be performed, consistent with the Code and the regulations promulgated thereunder, calculations to determine the Arbitrage Amount under Section 148(f)(2) of the Code; and
 - c. To provide a report to the Issuer specifying the Arbitrage Amount based upon the investment schedule, the calculations of bond yield and investment yield, and other information deemed relevant by First Southwest. In undertaking to provide the services set forth in paragraph 2 and this paragraph 3, First Southwest does not assume any responsibility for any record retention requirements which the Issuer may have under the Code or other applicable laws, it being understood that the Issuer shall remain responsible for compliance with any such record retention requirements.

Covenants of the Issuer

4. In connection with the performance of the aforesaid duties, the Issuer agrees to the following:
 - a. The fees due to First Southwest in providing arbitrage rebate compliance services shall be calculated in accordance with Appendix A attached hereto. The fees will be payable upon delivery of the report prepared by First Southwest for each issue of Bonds during the term of this Agreement.
 - b. The Issuer will provide First Southwest all information regarding the issuance of the Bonds and the investment of the proceeds therefrom, and any other information necessary in connection with calculating the Arbitrage Amount. First Southwest will rely on the information supplied by the Issuer without inquiry, it being understood that First Southwest will not conduct an audit or take any other steps to verify the accuracy or authenticity of the information provided by the Issuer.
 - c. The Issuer will notify First Southwest in writing of the retirement, prior to the scheduled maturity, of any Bonds included under the scope of this Agreement within 30 days of such retirement. This notification is required to provide sufficient time to comply with Treasury Regulations Section 1.148-3(g) which requires final payment of any Arbitrage Amount within 60 days of the final retirement of the Bonds. In the event the Issuer fails to notify First Southwest in a timely manner as provided hereinabove, First Southwest shall have no further obligation or responsibility to provide any services under this Agreement with respect to such retired Bonds.
5. In providing the services set forth in this Agreement, it is agreed that First Southwest shall not incur any liability for any error of judgment made in good faith by a responsible officer or officers thereof and, except to the limited extent set forth in this paragraph, shall not incur any liability for any other errors or omissions, unless it shall be proved that such error or omission was a result of the gross negligence or willful misconduct of said officer or officers. In the event a payment is assessed by the Internal Revenue Service due to an error by First Southwest, the Issuer will be responsible for paying the correct Arbitrage Amount and First Southwest's liability shall not exceed the amount of any penalty or interest imposed on the Arbitrage Amount as a result of such error.

Bonds Issued Subsequent to Initial Contract

6. The services contracted for under this Agreement will automatically extend to any additional Bonds (including financing lease obligations) issued during the term of this Agreement, if such Bonds are subject to the rebate requirements under Section 148(f)(2) of the Code. In connection with the issuance of additional Bonds, the Issuer agrees to the following:
 - a. The Issuer will notify or cause the notification, in writing, to First Southwest of any tax-exempt financing (including financing lease obligations) issued by the Issuer during any calendar year of this Agreement, and will provide First Southwest with such information regarding such Bonds as First Southwest may request in connection with its performance of the arbitrage rebate services contracted for hereunder. If such notice is not provided to First Southwest with regard to a particular issue, First Southwest shall have no obligation to provide any services hereunder with respect to such issue.
 - b. At the option of the Issuer, any additional Bonds to be issued subsequent to the execution of this Agreement may be excluded from the services provided for herein. In order to exclude an issue, the Issuer must notify First Southwest in writing of their intent to exclude any specific Bonds from the scope of this Agreement, which exclusion shall be permanent for the full life of the Bonds; and after receipt of such notice, First Southwest shall have no obligation to provide any services under this Agreement with respect to such excluded Bonds.

Effective Date of Agreement

- 7. This Agreement shall become effective at the date of acceptance by the Issuer as set out herein below and remain in effect thereafter for a period of five (5) years from the date of acceptance, provided, however, that this Agreement may be terminated with or without cause by the Issuer or First Southwest upon thirty (30) days prior written notice to the other party. In the event of such termination, it is understood and agreed that only the amounts due to First Southwest for services provided and extraordinary expenses incurred to and including the date of termination will be due and payable. No penalty will be assessed for termination of this Agreement. In the event this Agreement is terminated prior to the completion of its stated term, all records provided to First Southwest with respect to the investment of monies by the Issuer shall be returned to the Issuer as soon as practicable following written request by Issuer. In addition, the parties hereto agree that, upon termination of this Agreement, First Southwest shall have no continuing obligation to the Issuer regarding any arbitrage rebate related services contemplated herein, regardless of whether such services have previously been undertaken, completed or performed.

Acceptance of Agreement

- 8. This Agreement is submitted in duplicate originals. When accepted by the Issuer in accordance with the terms hereof, it, together with Appendix A attached hereto, will constitute the entire Agreement between the Issuer and First Southwest for the purposes and the consideration herein specified. In order for this Agreement to become effective, it must be accepted by the Issuer within sixty (60) days of the date appearing below the signature of First Southwest's authorized representative hereon. After the expiration of such 60-day period, acceptance by the Issuer shall only become effective upon delivery of written acknowledgement and reaffirmation by First Southwest that the terms and conditions set forth in this Agreement remain acceptable to First Southwest.

Governing Law

- 9. This Agreement will be governed by and construed in accordance with the laws of the State of Texas, without regard to its principles of conflicts of laws.

Acceptance will be indicated on both copies and the return of one executed copy to First Southwest.

Respectfully submitted,

FIRST SOUTHWEST ASSET MANAGEMENT, INC.

By *Hill A. Feinberg*
 Hill A. Feinberg, Chairman & Chief Executive Officer

Date _____

ISSUER'S ACCEPTANCE CLAUSE

The above and foregoing is hereby in all things accepted and approved by

HUNT COUNTY COM. COURT, on this the 8 day of MARCH, 2010
 By *John L. Moran*
 Authorized Representative
 Title HUNT COUNTY JUDGE
 Printed Name JOHN L. MORAN

APPENDIX A - FEES

The Bonds to be covered initially under this contract include all issues of tax-exempt bonds delivered subsequent to the effective dates of the rebate requirements, under the Code, except for issues which qualify for exceptions to the rebate requirements in accordance with Section 148 of the Code and related Treasury Regulations.

The fee for any Bonds under this contract shall only be payable if a computation is required under Section 148(f)(2) of the Code. In the event that any of the Bonds, fall within an exclusion to the computation requirement as defined by Section 148 of the Code or related regulations and no calculations were required by First Southwest to make that determination, no fee will be charged for such issue. For example, certain bonds are excluded from the rebate computation requirement if the proceeds are spent within specific time periods. In the event a particular issue of Bonds fulfills the exclusion requirements of the Code or related regulations, the specified fee will be waived by First Southwest if no calculations were required to make the determination.

First Southwest's fee for arbitrage rebate services is based upon a fixed annual fee per issue. The annual fee is charged based upon the number of years that proceeds exist subject to rebate from the delivery date of the issue to the computation date. Additional fees are charged for complexities, such as reserve fund allocations, transferred proceeds, debt service residual, etc. as indicated below.

First Southwest's fees are payable upon delivery of the report. The first report will be made following one year from the date of delivery of the Bonds and on each computation date thereafter during the term of the Agreement. The fees for computations of the Arbitrage Amount which encompass more, or less, than one Computation Year shall be prorated to reflect the longer, or shorter, period of work performed during that period.

The fee for each of the Bonds included in this contract shall be based on the table below. **All fees listed in the table are per bond issue, per Computation Year. Fee Calculation = Base Fee + One Addition to Base Fee (if applicable) less Electronic Data Submission Discount (if applicable). The maximum Fee Calculation charged for a given issue, however, will not exceed the Base Fee + One Addition to Base Fee. Fee Calculation for Other Services Available is as indicated.**

Additionally, due to significant time saving efficiencies realized when investment information is submitted in an electronic format, First Southwest passes the savings to its clients by offering a 25% reduction in its fees if information is provided in a spreadsheet or electronic text file format.

Description	Annual Fee
BASE FEES:	
Variable Rate Issue	\$2,800
Fixed Rate Issue	\$1,800
ADDITION TO BASE FEE FOR SPECIAL SERVICES RELATED TO:	
<ul style="list-style-type: none"> • Commingled Funds • Debt Service Funds for Tax-Supported Issues (quantifying the residual amount & properly allocating that residual among the issues serviced by the fund) • Earnings Test for Debt Service Funds (required for certain bond issues) • Transferred Proceeds • Universal Cap • Issuance of 2 Reports (Rebate & Yield Restriction) – necessary when overall rebate liability is negative but positive yield restriction liability exists • Rush Delivery on Calculations (21 days or less) 	\$500
REDUCED FEE IF ANY OF THE FOLLOWING APPLY:	
Reserve Fund Only, Escrow Fund Only, Debt Service Fund only, Rebate Fund only	\$1,250
OTHER SERVICES AVAILABLE:	
IRS Refund Request – Update calculation, prepare refund request package, and assist issuer as necessary in responding to subsequent IRS Information Requests	\$2,000
Commercial Paper Calculations – Per allocated issue	\$4,000
Penalty Calculations – Semiannual fee for each bond issue	\$1,000

EXPLANATION OF TERMS AND ADJUSTMENTS TO BASE FEES:

- a. **Computation Year:** A "Computation Year" represents a one year period from the delivery date of the issue to the date that is one calendar year after the delivery date, and each subsequent one-year period thereafter. Therefore, if a calculation is required that covers more than one "computation year," the annual fee is multiplied by the number of computation years contained in the calculation being performed. If a calculation includes a portion of a computation year, i.e., if the calculation includes 1 ½ computation years, then the base fee will be multiplied by 1.5.
- b. **Electronic Data Submission:** The data should be provided electronically in MS Excel or ASCII text file (comma delimited text preferred) with the date, description, dollar amount, and an activity code (if not in debit and credit format) on the same line in the file.
- c. **Variable/Floating Rate Bond Issues:** Special services are also required to perform the arbitrage rebate calculations for variable rate bonds. A bond is a variable rate bond if the interest rate paid on the bond is dependent upon an index which is subject to changes subsequent to the issuance of the bonds. The computational requirements of a variable rate issue are more complex than those of a fixed rate issue and, accordingly, require significantly more time to calculate. The additional complexity is primarily related to the computation of the bond yield, which must be calculated on a "bond year" basis. Additionally, the regulations provide certain flexibility in computing the bond yield and determining the arbitrage amount over the first IRS reporting period; consequently, increased calculations are required to determine which bond yield calculation produces the lowest arbitrage amount.
- d. **Commingled Fund Allocations:** By definition, a commingled fund is one that contains either proceeds of more than one bond issue or proceeds of a bond issue and non-bond proceeds (i.e., revenues) of \$25,000 or more. The arbitrage regulations, while permitting the commingling of funds, require that the proceeds of the bond issue(s) be "carved out" for purposes of determining the arbitrage amount. Additionally, interest earnings must be allocated to the portion of the commingled fund that represents proceeds of the issue(s) in question. Permitted "safe-harbor" methods (that is, methods that are outlined in the arbitrage regulations and, accordingly, cannot be questioned by the IRS under audit), exist for allocating expenditures and interest earnings to issues in a commingled fund. First Southwest uses one of the applicable safe-harbor methods when doing these calculations.
- e. **Debt Service Reserve Funds:** The authorizing documents for many revenue bond issues require that a separate fund be established (the "Reserve Fund") into which either bond proceeds or revenues are deposited in an amount equal to some designated level, such as average annual debt service on all parity bonds. This Reserve Fund is established for the benefit of the bondholders as additional security for payment on the debt. In most cases, the balance in the Reserve Fund remains stable throughout the life of the bond issue. Reserve Funds, whether funded with bond proceeds or revenues, must be included in all rebate calculations.
- f. **Debt Service Fund Calculations:** Issuers are required under the regulations to analyze the invested balances in their debt service funds annually to determine whether the fund depletes as required during the year and is, therefore, "bona fide" (i.e., potentially exempt from rebate in that year). It is not uncommon for surplus balances to develop in the debt service fund that services an issuer's tax supported debt, particularly due to timing differences of when the funds were due to be collected versus when the funds were actually collected. First Southwest performs this formal analysis of the debt service fund and, should it be determined that a surplus balance exists in the fund during a given year, allocates the surplus balance among the various issues serviced by the fund in a manner that is acceptable under IRS review.
- g. **Earnings Test for Debt Service Funds:** Certain types of bond issues require an additional level of analysis for the debt service fund, even if the fund depletes as required under the regulations and is "bona fide." For short-term, fixed rate issues, private activity issues, and variable rate issues, the regulations require that an "earnings test" be performed on a bona fide debt service fund to determine if the interest earnings reached \$100,000 during the year. In cases where the earnings reach or exceed the \$100,000 threshold, the entire fund (not just the surplus or residual portion) is subject to rebate.
- h. **Transferred Proceeds Calculations:** When a bond issue is refinanced (refunded) by another issue, special services relating to "transferred proceeds" calculations may need to be performed. Under the regulations, when proceeds of a refunding issue are used to retire principal of a prior issue, a pro-rata portion of the unspent proceeds of the prior issue becomes subject to rebate and/or yield restriction as transferred proceeds of the refunding issue. The refunding issue essentially "adopts" the unspent proceeds of the prior issue for purposes of the arbitrage calculations. These

calculations are required under the regulations to ensure that issuers continue to exercise due diligence to complete the project(s) for which the prior bonds were issued.

- i. **Universal Cap:** Current regulations provide an overall limitation on the amount of gross proceeds allocable to an issue. Simply stated, the value of investments allocated to an issue cannot exceed the value of all outstanding bonds of the issue. For example, this situation can occur if an issuer encounters significant construction delays or enters into litigation with a contractor. It may take months or even years to resolve the problems and begin or resume spending the bond proceeds; however, during this time the debt service payments are still being paid, including any scheduled principal payments. Thus, it's possible for the value of the investments purchased with bond proceeds to exceed the value of the bonds outstanding. In such cases, a "de-allocation" of proceeds may be required to comply with the limitation rules outlined in the regulations.
- j. **Yield Restriction Analysis/Yield Reduction Computations:** The IRS strongly encourages issuers to spend the proceeds of each bond issue as quickly as possible to achieve the governmental purpose for which the bonds were issued. Certain types of proceeds can qualify for a "temporary period," during which time the proceeds may be invested at a yield higher than the yield on the bonds without jeopardizing the tax-exempt status of the issue. The most common temporary period is the three-year temporary period for capital project proceeds. After the end of the temporary period, the proceeds must be yield restricted or the issuer must remit the appropriate yield reduction payment when due. First Southwest performs a comprehensive yield restriction analysis when appropriate for all issues having proceeds remaining at the end of the applicable temporary period and also calculates the amount of the yield reduction payment due to the IRS.



Pricing Schedule/Service Agreement

FILED FOR RECORD
at 2 o'clock P M

MAR 8 2010

- Pricing Schedule to AT&T Master Agreement Reference No. _____ *
- Service Agreement

By Linda Brooks
County Clerk, Hunt County, Tex

If neither box above is checked then this document is a standalone Service Agreement.

* This document may be used as a Pricing Schedule only if attached to an Agreement referred to internally at AT&T as a UA MSA, UA MA or UA SSTC.

Customer ("Customer")	AT&T ("AT&T")
County of Hunt 2500 Lee St. Greenville Tx 75401 USA	For purposes of this Pricing Schedule/Service Agreement, AT&T means the Service Provider specifically identified herein.
Customer Contact** (for notices)	AT&T Sales Contact Information and for Contract Notices <input checked="" type="checkbox"/> Primary Sales Contact
Name: Stacy Sehl Title: Assistant Auditor Telephone: 903 408 4102 Fax: E-mail: ssehl@huntcounty.net <u>Address for notices, if different from above:</u> Street Address City State Zip Code USA	Account Rep Name: Tom Greene Title: Account Manager Telephone: 214-571-7311 Fax: 214-761-8164 Email: tg3675@att.com Street Address: 208 S. Akard 6 th floor City: Dallas State: Tx Zip Code: 75202 <u>With a copy to:</u> AT&T Corp. One AT&T Way, Bedminster, NJ 07921-0752 Attn: Master Agreement Support Team E-mail: mast@att.com
AT&T Authorized Agent or Representative Information (if applicable) <input type="checkbox"/> Primary Sales Contact	
Name: _____ Company Name: _____ Agent Street Address: _____ City: _____ State: _____ Zip Code: _____ Telephone: _____ Fax: _____ Email: _____ Agent Code _____	

Customer agrees to purchase Service in the quantities and according to the prices and terms and conditions set forth in this Pricing Schedule/Service Agreement and the applicable Tariff(s) and Guidebook(s). If this document serves as a Service Agreement (as indicated above), this Service Agreement is subject to: (a) the terms of the applicable Tariff(s), if the Service is offered pursuant to Tariff(s); or (b) the AT&T Business Services Agreement (BSA), if the Service is not offered pursuant to Tariff. Tariff(s), Guidebook(s) and the BSA can be found at www.att.com/servicepublications. Service is provided by the AT&T Affiliate identified below as the Service Provider. Throughout the remainder of this document, this document shall be referred to as the "Pricing Schedule".

Customer (by its authorized representative)	AT&T (by its authorized representative)
By: <u>[Signature]</u>	By: _____
Printed or Typed Name: <u>John L. Horn</u>	Printed or Typed Name: _____
Title: <u>Hunt County Judge</u>	Title: _____
Date: <u>3/8/2010</u>	Date: _____

Service Provider and Guidebook: SBC Long Distance, LLC d/b/a AT&T Long Distance ("AT&T") – The Voice and Data Product Reference and Pricing Guidebooks.



Pricing Schedule/Service Agreement

1. **Service Description.** This Pricing Schedule applies to AT&T High Volume Calling IV, which is an optional calling plan for outbound and inbound long distance services. This Pricing Schedule is effective as of the date last signed above ("Effective Date") and shall continue until the expiration for the service chosen hereunder ("Term").

2. **Spending and Term Commitments.** Customer agrees to pay a Minimum Annual Commitment ("MAC") specified below (excluding applicable taxes and surcharges) to AT&T during each year of this Pricing Schedule to begin on the date service is first established on the plan agreed to herein ("Service Acceptance Date") and shall end after the number of years specified below. AT&T Long Distance charges that contribute to retiring the MAC (excluding applicable taxes and surcharges) are, but are not limited to, domestic and international outbound, domestic toll free, domestic and international outbound calling card. If Customer fails to satisfy the MAC, Customer will be billed and shall pay the shortfall as an under-utilization charge. Switched services are not offered in Connecticut. The term, commitment, MAC, Interstate Switched ("Sw") and Calling Card ("CC") rates per minute for this Pricing Schedule are:

<input type="checkbox"/>	Domestic Plan – AT&T High Volume Calling IV ("HVC IV"): \$600, \$2,400 or \$6,000 MAC Customer is purchasing AT&T Long Distance Services and agrees to maintain a minimum of 2 access lines or voice grade equivalent switched local exchange service from an AT&T Affiliated Local Service Provider for the term of this Pricing Schedule.	
<input type="checkbox"/>	1 Year - Interstate Rates	Not Applicable
<input type="checkbox"/>	2 Year - Interstate Rates	Not Applicable
<input type="checkbox"/>	3 Year - Interstate Rates	Not Applicable

<input type="checkbox"/>	Domestic Plan – AT&T High Volume Calling IV ("HVC IV"): \$9,000 MAC Customer is purchasing AT&T Long Distance Services and agrees to maintain a minimum of 2 access lines or voice grade equivalent switched local exchange service from an AT&T Affiliated Local Service Provider for the term of this Pricing Schedule.	
<input type="checkbox"/>	1 Year - Interstate Rates	Not Applicable
<input type="checkbox"/>	2 Year - Interstate Rates	Not Applicable
<input type="checkbox"/>	3 Year - Interstate Rates	Not Applicable

<input type="checkbox"/>	Domestic Plan – AT&T High Volume Calling IV ("HVC IV"): \$12,000 MAC Customer is purchasing AT&T Long Distance Services and agrees to maintain a minimum of 4 access lines or voice grade equivalent switched local exchange service from an AT&T Affiliated Local Service Provider for the term of this Pricing Schedule.	
<input type="checkbox"/>	1 Year - Interstate Rates	Not Applicable
<input type="checkbox"/>	2 Year - Interstate Rates	Not Applicable
<input checked="" type="checkbox"/>	3 Year - Interstate Rates	\$12,000 MAC - Sw \$.0400 / CC \$.0400

<input type="checkbox"/>	AT&T International Plan - High Volume Calling IV ("HVC IV"): All MACs and Terms. The Outbound 1+ and Calling Card International rates for calls originating in the US and its territories and terminating in the countries are listed in the Guidebook.	
<input type="checkbox"/>	Option C – For an additional, one-time charge of \$9.95 Customer receives lower international rates to certain countries under Option C as described in the Guidebook.	

Customer acknowledges and agrees that if it fails to meet any of the above AT&T Affiliate Local Service Provider requirements to qualify for Customer's selected High Volume Calling IV during the term hereof, Customer will be moved to a High Volume Calling Plan II with the same MAC and term commitments at the then-current usage rates in Section 4.7.1 of the Guidebook.

A. **Fixed Domestic Voice Service Rates and Charges:** The rates for the following domestic switched Direct Distance Dialing ("DDD") & Toll Free Service ("TFS") voice services are fixed for the term of this Pricing Schedule: all interstate, intrastate, and Calling Card ("Fixed-Rate Service(s)"). The rates for the Fixed-Rate Services shall be the rates set forth herein. For Fixed-Rate Service rates which do not appear herein, they shall be priced at the rates set forth in the HVC IV (for the term commitment and MAC selected above) section of the Guidebook and Tariffs on the date service is first established. Except for applicable Guidebook Promotions or VIP discounts, Fixed-Rate Service rates are provided in lieu of any other Guidebook or Tariff discounts.

B. **Additional Services, Rates and Charges:** The rates and charges for the following are not fixed for the term of this Pricing Schedule: International, International Mobile Termination Charges, Operator Toll Assistance Services, Directory Assistance Services, and any applicable payphone origination and other third-party pass through charges, regulatory



Pricing Schedule/Service Agreement

fees, surcharges, and TFS charges. All such rates and charges are as set forth in the then-current Guidebook or Tariffs, and are subject to change at any time. The applicable international rates, including International Toll Free Service rates, shall be those set forth in the Guidebook under the chosen Option that is associated with the calling plan selected above.

- 3. **Termination Charges.** Customer may terminate this Pricing Schedule or disconnect, in whole or in part, any Service hereunder at any time and without cause upon written notice to AT&T. If this occurs during the applicable term commitment, AT&T will compute the termination charges according to the following formula and render a bill to Customer, which Customer agrees to pay within 30 days:
 - 50% of the unmet MAC for the current year and 50% of the unmet MAC for each additional year remaining on the term plan Pricing Schedule.
 - Termination charges assessed by the Local Access Provider, if Customer cancels, in whole or in part, any Local Access Service procured by AT&T on Customer's behalf.
- 4. **Notice.** AT&T may send any notices pertaining to the Service provided under this Pricing Schedule to Customer's billing address via first class mail, postage prepaid.
- 5. **Automatic Dialer Devices.** CUSTOMER ACKNOWLEDGES AND AGREES THAT USE OF AUTODIALERS, PREDICTIVE DIALERS OR OTHER DEVICES THAT GENERATE AUTOMATED OUTBOUND CALLS IN CONJUNCTION WITH PRODUCTS AND SERVICES PROVIDED UNDER THIS PRICING SCHEDULE IS STRICTLY PROHIBITED. AT&T MAY TERMINATE THIS PRICING SCHEDULE IMMEDIATELY SHOULD CUSTOMER USE SUCH DEVICES.
- 6. **Availability and Cancellation.** This Pricing Schedule is valid only if signed by Customer on or before April 30, 2010. Customer may elect to cancel this Pricing Schedule at any time prior to the Service Acceptance Date upon providing ten (10) days written notice (on Customer's letterhead) to AT&T. AT&T will cancel this Pricing Schedule if the Customer is not ready to have AT&T provision/fulfill the Service within 120 days after Customer executes this Pricing Schedule, or in the case of a Customer that qualifies for E-Rate funding, no later than June 30, 2011.

	<i>New or upgrade to an existing AT&T Long Distance Agreement</i>
<input checked="" type="checkbox"/>	This is a new AT&T Long Distance Pricing Schedule
<input type="checkbox"/>	This is an upgrade to an existing AT&T Long Distance Agreement and the guidelines from Section 3.9.7 Revenue and Term plan Commitments of the Voice Product Reference and Pricing Guidebook will apply to the old agreement.



AT&T High Volume Calling IVSM Up To \$12,000 MAC ("Service")

Pricing Schedule/Service Agreement

11,458
FILED FOR RECORD
LINDA BROOKS
COUNTY CLERK HUNT CO., TX
10 APR 19 PM 12:25
BY: [Signature]
DEPUTY

- Pricing Schedule to AT&T Master Agreement Reference No. _____ *
- Service Agreement

If neither box above is checked then this document is a standalone Service Agreement.

* This document may be used as a Pricing Schedule only if attached to an Agreement referred to internally at AT&T as a UA MSA, UA MA or UA SSTC.

Customer ("Customer")	AT&T ("AT&T")
County of Hunt 2500 Lee St. Greenville Tx 75401 USA	For purposes of this Pricing Schedule/Service Agreement, AT&T means the Service Provider specifically identified herein.
Customer Contact** (for notices)	AT&T Sales Contact Information and for Contract Notices <input type="checkbox"/> Primary Sales Contact
Name: Stacy Sehl Title: Assistant Auditor Telephone: 903 408 4102 Fax: E-mail: ssehl@huntcounty.net <u>Address for notices, if different from above:</u> Street Address City State Zip Code USA	Account Rep Name: Tom Greene Title: Account Manager Telephone: 214 571 7325 Fax: Email: Street Address: 208 S Akard 12 th floor City: Dallas State: Tx Zip Code: 75202 <u>With a copy to:</u> AT&T Corp. One AT&T Way, Bedminster, NJ 07921-0752 Attn: Master Agreement Support Team E-mail: mast@att.com
AT&T Authorized Agent or Representative Information (if applicable) <input type="checkbox"/> Primary Sales Contact	
Name: Company Name: Agent Street Address: City: State: Zip Code: Telephone: Fax: Email: Agent Code	

Customer agrees to purchase Service in the quantities and according to the prices and terms and conditions set forth in this Pricing Schedule/Service Agreement and the applicable Tariff(s) and Guidebook(s). If this document serves as a Service Agreement (as indicated above), this Service Agreement is subject to: (a) the terms of the applicable Tariff(s), if the Service is offered pursuant to Tariff(s); or (b) the AT&T Business Services Agreement (BSA), if the Service is not offered pursuant to Tariff. Tariff(s), Guidebook(s) and the BSA can be found at www.att.com/servicepublications. Service is provided by the AT&T Affiliate identified below as the Service Provider. Throughout the remainder of this document, this document shall be referred to as the "Pricing Schedule".

Customer (by its authorized representative)	AT&T (by its authorized representative)
By: [Signature] Printed or Typed Name: John L. Horn Title: County Judge Date: 4/19/10	By: Printed or Typed Name: Title: Date:

Service Provider and Guidebook: SBC Long Distance, LLC d/b/a AT&T Long Distance ("AT&T") – The Voice and Data Product Reference and Pricing Guidebooks.

AT&T and Customer Confidential Information



AT&T High Volume Calling IVSM Up To \$12,000 MAC ("Service")

Pricing Schedule/Service Agreement

1. **Service Description.** This Pricing Schedule applies to AT&T High Volume Calling IV, which is an optional calling plan for outbound and inbound long distance services. This Pricing Schedule is effective as of the date last signed above ("Effective Date") and shall continue until the expiration for the service chosen hereunder ("Term").

2. **Spending and Term Commitments.** Customer agrees to pay a Minimum Annual Commitment ("MAC") specified below (excluding applicable taxes and surcharges) to AT&T during each year of this Pricing Schedule to begin on the date service is first established on the plan agreed to herein ("Service Acceptance Date") and shall end after the number of years specified below. AT&T Long Distance charges that contribute to retiring the MAC (excluding applicable taxes and surcharges) are, but are not limited to, domestic and international outbound, domestic toll free, domestic and international outbound calling card. If Customer fails to satisfy the MAC, Customer will be billed and shall pay the shortfall as an under-utilization charge. Switched services are not offered in Connecticut. The term, commitment, MAC, Interstate Switched ("Sw") and Calling Card ("CC") rates per minute for this Pricing Schedule are:

<input type="checkbox"/>	Domestic Plan – AT&T High Volume Calling IV ("HVC IV"): \$600, \$2,400 or \$6,000 MAC Customer is purchasing AT&T Long Distance Services and agrees to maintain a minimum of 2 access lines or voice grade equivalent switched local exchange service from an AT&T Affiliated Local Service Provider for the term of this Pricing Schedule.	
<input type="checkbox"/>	1 Year - Interstate Rates	Not Applicable
<input type="checkbox"/>	2 Year - Interstate Rates	Not Applicable
<input checked="" type="checkbox"/>	3 Year - Interstate Rates	\$6,000 MAC - Sw \$.0410 / CC \$.0410

<input type="checkbox"/>	Domestic Plan – AT&T High Volume Calling IV ("HVC IV"): \$9,000 MAC Customer is purchasing AT&T Long Distance Services and agrees to maintain a minimum of 2 access lines or voice grade equivalent switched local exchange service from an AT&T Affiliated Local Service Provider for the term of this Pricing Schedule.	
<input type="checkbox"/>	1 Year - Interstate Rates	Not Applicable
<input type="checkbox"/>	2 Year - Interstate Rates	Not Applicable
<input type="checkbox"/>	3 Year - Interstate Rates	Not Applicable

<input type="checkbox"/>	Domestic Plan – AT&T High Volume Calling IV ("HVC IV"): \$12,000 MAC Customer is purchasing AT&T Long Distance Services and agrees to maintain a minimum of 4 access lines or voice grade equivalent switched local exchange service from an AT&T Affiliated Local Service Provider for the term of this Pricing Schedule.	
<input type="checkbox"/>	1 Year - Interstate Rates	Not Applicable
<input type="checkbox"/>	2 Year - Interstate Rates	Not Applicable
<input type="checkbox"/>	3 Year - Interstate Rates	Not Applicable

<input type="checkbox"/>	AT&T International Plan - High Volume Calling IV ("HVC IV"): All MACs and Terms. The Outbound 1+ and Calling Card International rates for calls originating in the US and its territories and terminating in the countries are listed in the Guidebook.	
<input type="checkbox"/>	Option C – For an additional, one-time charge of \$9.95 Customer receives lower international rates to certain countries under Option C as described in the Guidebook.	

Customer acknowledges and agrees that if it fails to meet any of the above AT&T Affiliate Local Service Provider requirements to qualify for Customer's selected High Volume Calling IV during the term hereof, Customer will be moved to a High Volume Calling Plan II with the same MAC and term commitments at the then-current usage rates in Section 4.7.1 of the Guidebook.

A. **Fixed Domestic Voice Service Rates and Charges:** The rates for the following domestic switched Direct Distance Dialing ("DDD") & Toll Free Service ("TFS") voice services are fixed for the term of this Pricing Schedule: all interstate, intrastate, and Calling Card ("Fixed-Rate Service(s)"). The rates for the Fixed-Rate Services shall be the rates set forth herein. For Fixed-Rate Service rates which do not appear herein, they shall be priced at the rates set forth in the HVC IV (for the term commitment and MAC selected above) section of the Guidebook and Tariffs on the date service is first established. Except for applicable Guidebook Promotions or VIP discounts, Fixed-Rate Service rates are provided in lieu of any other Guidebook or Tariff discounts.

B. **Additional Services, Rates and Charges:** The rates and charges for the following are not fixed for the term of this Pricing Schedule: International, International Mobile Termination Charges, Operator Toll Assistance Services, Directory Assistance Services, and any applicable payphone origination and other third-party pass through charges, regulatory



Pricing Schedule/Service Agreement

fees, surcharges, and TFS charges. All such rates and charges are as set forth in the then-current Guidebook or Tariffs, and are subject to change at any time. The applicable international rates, including International Toll Free Service rates, shall be those set forth in the Guidebook under the chosen Option that is associated with the calling plan selected above.

- 3. **Termination Charges.** Customer may terminate this Pricing Schedule or disconnect, in whole or in part, any Service hereunder at any time and without cause upon written notice to AT&T. If this occurs during the applicable term commitment, AT&T will compute the termination charges according to the following formula and render a bill to Customer, which Customer agrees to pay within 30 days:
 - 50% of the unmet MAC for the current year and 50% of the unmet MAC for each additional year remaining on the term plan Pricing Schedule.
 - Termination charges assessed by the Local Access Provider, if Customer cancels, in whole or in part, any Local Access Service procured by AT&T on Customer's behalf.
- 4. **Notice.** AT&T may send any notices pertaining to the Service provided under this Pricing Schedule to Customer's billing address via first class mail, postage prepaid.
- 5. **Automatic Dialer Devices.** CUSTOMER ACKNOWLEDGES AND AGREES THAT USE OF AUTODIALERS, PREDICTIVE DIALERS OR OTHER DEVICES THAT GENERATE AUTOMATED OUTBOUND CALLS IN CONJUNCTION WITH PRODUCTS AND SERVICES PROVIDED UNDER THIS PRICING SCHEDULE IS STRICTLY PROHIBITED. AT&T MAY TERMINATE THIS PRICING SCHEDULE IMMEDIATELY SHOULD CUSTOMER USE SUCH DEVICES.
- 6. **Availability and Cancellation.** This Pricing Schedule is valid only if signed by Customer on or before August 31, 2010. Customer may elect to cancel this Pricing Schedule at any time prior to the Service Acceptance Date upon providing ten (10) days written notice (on Customer's letterhead) to AT&T. AT&T will cancel this Pricing Schedule if the Customer is not ready to have AT&T provision/fulfill the Service within 120 days after Customer executes this Pricing Schedule, or in the case of a Customer that qualifies for E-Rate funding, no later than June 30, 2012.

<i>New or upgrade to an existing AT&T Long Distance Agreement</i>	
<input checked="" type="checkbox"/>	This is a new AT&T Long Distance Pricing Schedule
<input type="checkbox"/>	This is an upgrade to an existing AT&T Long Distance Agreement and the guidelines from Section 3.9.7 Revenue and Term plan Commitments of the Voice Product Reference and Pricing Guidebook will apply to the old agreement.



Pricing Schedule/Service Agreement

Domestic Voice Services Attachment HVC IV

The following rates shall apply for intrastate interlata and intralata DDD and TFS calls: Intrastate AT&T LD Calling Card rates are equal to the switched rates below.

- Term California**
- 1 Year Not Applicable
- 2 Year Not Applicable
- 3 Year Not Applicable

- Term Texas, Oklahoma and Kansas**
- 1 Year Not Applicable
- 2 Year Not Applicable
- 3 Year \$6,000 MAC - Sw \$0.068

- Term Arkansas**
- 1 Year Not Applicable
- 2 Year Not Applicable
- 3 Year Not Applicable

- Term Missouri**
- 1 Year Not Applicable
- 2 Year Not Applicable
- 3 Year Not Applicable

- Term Nevada**
- 1 Year Not Applicable
- 2 Year Not Applicable
- 3 Year Not Applicable

- Term Michigan, Illinois, Indiana & Ohio**
- 1 Year Not Applicable
- 2 Year Not Applicable
- 3 Year Not Applicable

- Term Wisconsin**
- 1 Year Not Applicable
- 2 Year Not Applicable
- 3 Year Not Applicable

The MAC and term commitment selected above must match those selected in Section 2. Otherwise, the rates selected above shall be void and the applicable rates shall be those listed in the applicable Tariffs.

<i>For internal use only</i>	
Billing Telephone Number for Existing service, if applicable:	(903) 408 - 4100
Program Code:	

END DOCUMENT