

FILED BY: [unclear]  
COUNTY CLERK  
HUNT COUNTY, TEXAS  
10 OCT 26 PM 3:43  
[Signature]

RESOLUTION NO. 11,721

A RESOLUTION OF THE HUNT COUNTY COMMISSIONERS COURT IN SUPPORT OF CREATING HUNT COUNTY MUNICIPAL UTILITY DISTRICT NO. 1; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, by petition dated October 26, 2010, the owners of the property described by metes and bounds and by drawing on Exhibit A attached to this Resolution (the "Property") petitioned the City Council of the City of Greenville, Texas (the "City") for its consent to the inclusion of the Property in a municipal utility district created by special law of the 82<sup>nd</sup> Texas Legislature (the "Special Legislation") and to the division of such district into two or more districts, which district shall be known as the "Hunt County Municipal Utility District No. 1" (the "District") and shall include all of the Property; and

WHEREAS, the City adopted Resolution No. 11,721 on October 26, 2010, consenting to: (i) the creation (by Special Legislation approved by the City) of HUNT COUNTY MUNICIPAL UTILITY DISTRICT NO. 1; (ii) the inclusion of the Property within the boundaries of the District; and (iii) the division of the District into two or more districts without further consents from the City or Hunt County; and

WHEREAS, the Special Legislation will: (i) limit the authority of the Board of Directors of the District to hold a confirmation election for the District; and (ii) ensure that the Property will be subject to the City's jurisdiction and will be developed in accordance with terms and conditions acceptable to the City; and

WHEREAS, the owners of the Property have requested Hunt County's support for creation of the District, the inclusion of the Property within the District, and the division of the District into two or more districts upon the terms set forth in this Resolution.

NOW THEREFORE, BE IT RESOLVED BY THE COMMISSIONERS COURT OF HUNT COUNTY, TEXAS, THAT:

Section 1. The Commissioners Court supports the: (i) creation of Hunt County Municipal Utility District No. 1; (ii) inclusion of the Property within the boundaries of the District; and

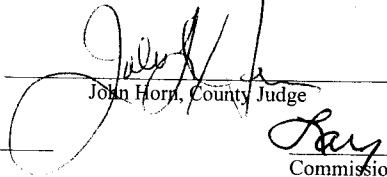
(iii) division of the District into two or more districts without further consents from the City or Hunt County.

Section 2. The Commissioners Court's support is subject to the condition that the Special Legislation shall provide that the Board of Directors of the District is not authorized to hold a confirmation election for the District until either of the following has occurred:

- (a) The Special Legislation authorizes the owner of the Property and the City to enter into a development agreement pursuant to Section 212.172 of the Texas Local Government Code (a "Development Agreement") regardless of whether all of the Property is within the extraterritorial jurisdiction of the City, and the owner of the Property and the City have entered into a Development Agreement covering the Property or portion thereof approved by the City; or
- (b) All of the Property, or a portion thereof approved by the City, is within the extraterritorial jurisdiction of the City, and the owner of the Property and the City have entered into a Development Agreement covering the Property, or portion thereof approved by the City, that is within the extraterritorial jurisdiction of the City.

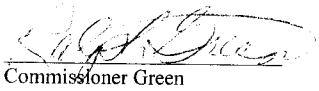
Section 3. This resolution shall be effective immediately on the date passed and approved.

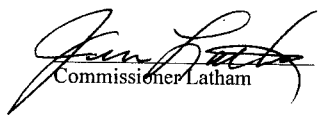
PASSED AND APPROVED this 6 day of August, 2010.

  
John Horn, County Judge

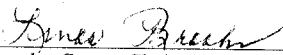
ABSENT  
Commissioner Thornton

  
Commissioner Middlebrooks

  
Commissioner Green

  
Commissioner Latham

ATTEST:

  
Linda Brooks, County Clerk

1, 122.

## RESOLUTION

The State of Texas  
County of Hunt

**FILED FOR RECORD**  
at 11:22 o'clock A M  
SEP 25 2010  
LINDA BROOKS  
County Clerk, Hunt County, Tex.  
By [Signature]

WHEREAS, the federal off-system bridge program is administered by the Texas Department of Transportation (the State) to replace or rehabilitate structurally deficient and functionally obsolete (collectively referred to as deficient) bridges located on public roads and streets off the designated state highway system; and

WHEREAS, Hunt County, hereinafter referred to as the Local Government owns a bridge located at Red Oak Creek, on HCR 1125 (210-001), National Bridge Inventory (NBI) Structure Number 01-117-0-AA0210-001; and

WHEREAS, Hunt County, hereinafter referred to as the Local Government owns a bridge located at Lee Creek Tributary, on HCR 1137 (120-002), National Bridge Inventory (NBI) Structure Number 01-117-0-AA0120-002; and

WHEREAS, Hunt County, hereinafter referred to as the Local Government owns a bridge located at S. Sulphur River Branch, on Iron Bridge Road (127-002), National Bridge Inventory (NBI) Structure Number 01-117-0-AA0127-002; and

WHEREAS, Hunt County, hereinafter referred to as the Local Government owns a bridge located at Cleddining Creek, on HCR 1123 (245-001), National Bridge Inventory (NBI) Structure Number 01-117-0-AA0245-001; and

WHEREAS, Hunt County, hereinafter referred to as the Local Government owns a bridge located at Lee Creek, on HCR 1137 (120-001), National Bridge Inventory (NBI) Structure Number 01-117-0-AA0120-001; and

WHEREAS, Hunt County, hereinafter referred to as the Local Government owns a bridge located at S. Sulphur River Tributary, on HCR 1052 (125-001), National Bridge Inventory (NBI) Structure Number 01-117-0-AA0125-001; and

WHEREAS, a project to remedy the bridge(s) is included in the currently approved program of projects as authorized by Texas Transportation Commission Minute Order Number 112237 dated April 2010, Control-Section-Job (CSJ) Number 0901-22-100, 0901-22-078, 0901-22-080, 0901-22-082, 0901-22-077 and 0901-22-079 respectively; and

WHEREAS, the usual fund participation ratio for projects on such program is 80 percent federal, 10 percent state and 10 percent Local Government; and

**WHEREAS, Hunt County** has been given an Economically Disadvantage Status by the Texas Transportation Commission with the funding participation ratio set at **80 percent federal, 15.7 percent state and 4.3 percent Local Government**, and;

**WHEREAS, Texas Administrative Code, Title 43, Section 15.55(d) (43 TAC Section 15.55(d))** provides that under specified conditions the 10 percent Local Government match fund participation requirement may be waived with agreement by the Local Government to perform, or cause to be performed, an equivalent dollar amount of structural improvement work on other deficient bridges or deficient mainlane cross-drainage structures within its jurisdiction, such a project of structural improvement work being referred to as an “equivalent-match project”; and

**WHEREAS, the estimated local match fund participation requirement on the approved federal off-system bridge project(s) is \$44,591 (dollars),** hereinafter referred to as the “participation-waived” project, such participation requirement the Local Government proposes be waived and in return perform or cause to be performed equivalent-match project structural improvement work.

**THEREFORE, BE IT RESOLVED** that the Local Government perform, or cause to be performed, the following equivalent-match project(s) in return for waiver of the local match fund participation requirement on the approved federal off-system bridge program (participation-waived) project not yet awarded:

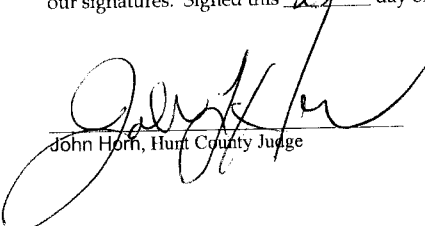
LOCATION (and NBI structure identification number, if applicable)	ON SCHOOL BUS ROUTE?	DESCRIPTION OF STRUCTURAL IMPROVEMENT WORK	ESTIMATED COST
<b>HCR 1021 near HCR 1020 intersection</b>	<b>Yes</b>	<b>Replace Steel Bridge (non-bridge class) with concrete bridge</b>	<b>\$ 50,052</b>

**BE IT FURTHER RESOLVED** that in receiving this waiver the Local Government acknowledges its obligation to conform with all conditions of 43 TAC Section 15.55(d); such conditions that include but are not restricted to the following:

1. The Local Government must be currently in compliance with load posting and closure regulations as defined in National Bridge Inspection Standards under US Code of Federal Regulations, Title 23, Section 650.303.
2. The equivalent-match project work increases the load capacity of the existing bridge or other mainlane cross-drainage structure, or upgrades the structure to its original load capacity with a minimum upgrade to safely carry school bus loading if located on a school bus route.
3. In performing, or causing to be performed, the equivalent-match project(s), the Local Government assumes all responsibilities for engineering and construction, and complying with all applicable state and federal environmental regulations and permitting requirements for the structures being improved.
4. The work on the proposed equivalent-match project(s) will not begin until the local match fund participation waiver approval process has been completed.

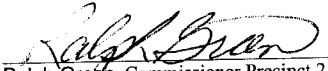
5. The Local Government will be allowed three years after the contract award of the participation-waived project to complete the structural improvement work on the equivalent-match project(s).
6. Should this waiver request be approved, an appropriate written agreement or amendment to a previously executed agreement will be executed between the State and Local Government.

THEREFORE, IN OFFICIAL RECOGNITION WHEREOF, we the undersigned do hereby affix our signatures. Signed this 29 day of October, 2010.

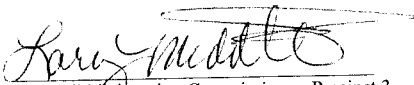


John Horn, Hunt County Judge

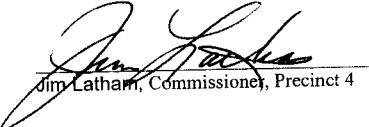
absent  
Kenneth Thornton, Commissioner, Precinct 1



Ralph Green, Commissioner Precinct 2



Larry Middlebrooks, Commissioner, Precinct 3



Jim Latham, Commissioner, Precinct 4

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District # 01  
Code Chart 64 # 50117  
Project: **Replace Off-System Bridge**  
NBI Structure # 01-117-0-AA0120-001  
CFDA # 20.205

STATE OF TEXAS §  
COUNTY OF TRAVIS §

**FILED FOR RECORD**  
at 11:45 o'clock 11 M

SEP 25 2010

LINDA BROOKS  
County Clerk, Hunt County, Tex.  
By: *[Signature]*

**ADVANCE FUNDING AGREEMENT**  
**For Bridge Replacement or Rehabilitation**  
**Off the State System**

**THIS Advance Funding Agreement (the Agreement)** is made by and between the State of Texas, acting by and through the Texas Department of Transportation, hereinafter called the "State", and the **Hunt County Commissioners Court**, acting by and through its duly authorized officials, hereinafter called the "Local Government."

**WITNESSETH**

**WHEREAS**, Title 23, United States Code Section 144 authorizes federal funds to assist the States in the replacement or rehabilitation of deficient bridges located on public highways, roads and streets, including those under the jurisdiction of local governments; and

**WHEREAS**, the Texas Transportation Code, Sections 201.103 and 222.052 establish that the State shall plan and make policies for the construction of a comprehensive system of state highways and public roads in cooperation with local governments; and

**WHEREAS**, the Local Government owns a bridge or bridges located on a public road or street located at **Lee Creek on Hunt County Road 1137** and said bridge(s) is included in the currently approved off-state system federal-aid Highway Bridge Replacement and Rehabilitation Program (HBRRP) as authorized by Texas Transportation Commission Minute Order number **112237**, dated **April 2010**; and

**WHEREAS**, the Governing Body of the Local Government has approved entering into this Agreement by resolution or ordinance which is attached hereto and made a part hereof as Attachment A and which provides for development of the specific programmed replacement or rehabilitation project, hereinafter called the "Project", identified in the location map shown as Attachment B.

**NOW, THEREFORE**, in consideration of the premises and of the mutual covenants and agreements of the parties hereto, to be by them respectively kept and performed as hereinafter set forth, it is agreed as follows:

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## AGREEMENT

### 1. **Period of this Agreement**

This Agreement becomes effective when signed by the last party whose signing makes the Agreement fully executed. This Agreement shall remain in effect until terminated as provided in Article 2.

### 2. **Conditions for Termination of this Agreement**

- a. The Agreement is terminated in writing with the mutual consent of the parties; or
- b. Breach of this Agreement, in which case any cost incurred shall be paid by the breaching party; or
- c. If the Local Government elects not to develop the project and the project does not proceed, in which case the Local Government agrees to reimburse the State for 100 percent of its reasonable actual direct and indirect costs incurred for the project.

### 3. **Amendments**

Amendments to this Agreement may be made due to changes in the character of the work, the terms of the Agreement, or the responsibilities of the parties. Amendments shall be enacted through a mutually agreed upon, written amendment executed by all parties to this Agreement.

### 4. **Remedies**

This Agreement shall not be considered as specifying the exclusive remedy for any Agreement default, but all remedies existing at law and in equity may be availed of by either party to this Agreement and shall be cumulative.

### 5. **Scope of Work**

The scope of work for this Agreement is the replacement or rehabilitation of the bridge(s) identified in the recitals of this Agreement. This replacement or rehabilitation shall be



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accomplished in the manner described in the plans, specifications and estimates developed in accordance with this Agreement and which are incorporated herein by reference.

#### 6. **Right of Way and Real Property**

The Local Government is responsible for the provision and acquisition of all necessary right of way and will not be reimbursed with federal or state funds for the required right of way.

The Local Government authorizes the State, its consultant, contractor, or other designated representative to enter the site(s) of said bridge(s) and adjacent right of way or relocation right of way to perform surveys, inspections, construction and other activities necessary to replace or rehabilitate said bridge and approaches.

#### 7. **Adjustment of Utilities**

The Local Government shall be responsible for the adjustment, removal, or relocation of utility facilities in accordance with applicable State laws, regulations, rules, policies, and procedures, including any cost to the State of a delay resulting from the Local Government's failure to ensure that utility facilities are adjusted, removed, or relocated before the scheduled beginning of construction. The Local Government will not be reimbursed with federal or state funds for the cost of required utility work." The Local Government must obtain advance approval for any variance from established procedures. Before a construction contract is let, the Local Government shall provide, at the State's request, a certification stating that the Local Government has completed the adjustment of all utilities that must be adjusted before construction is completed.

#### 8. **Environmental Assessment and Mitigation**

Development of the Project must comply with the National Environmental Policy Act and the National Historic Preservation Act of 1966, which require environmental clearance of federal-aid projects.

- a. The State is responsible for the identification and assessment of any environmental problems associated with the development of the Project governed by this Agreement.
- b. Cost participation in environmental assessment and remediation work shall be paid by the parties in the same ratio as construction costs and will be included in the construction costs identified in Attachment D, "Estimate of Direct Costs".
- c. The State is responsible for providing any public meetings or public hearings required for development of the environmental assessment

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The State will not begin construction of the Project until identified environmental problems have been remediated, unless provided for otherwise.

**9. Compliance with Texas Accessibility Standards and ADA**

All parties to this Agreement shall ensure that the plans for and the construction of the Project subject to this Agreement are in compliance with the Texas Accessibility Standards (TAS) issued by the Texas Department of Licensing and Regulation, under the Architectural Barriers Act, Article 9102, Texas Civil Statutes. The TAS establishes minimum accessibility requirements to be consistent with minimum accessibility requirements of the Americans with Disabilities Act (P.L. 101-336) (ADA).

**10. Architectural and Engineering Services will be Provided by the State**

The State is responsible for performance of any required architectural or preliminary engineering work. The Local Government may review and comment on the work as required to accomplish the public purposes of the Local Government. The State will cooperate fully with the Local Government in accomplishing these local public purposes to the degree permitted by state and federal law. The Local Government review shall not unduly delay the development of the Project.

**11. Construction Responsibilities**

- a. The State shall advertise for construction bids, issue bid proposals, receive and tabulate the bids and award and administer the contract for construction of the Project. Administration of the contract includes the responsibility for construction engineering and for issuance of any change orders, supplemental agreements, amendments, or additional work orders, which may become necessary subsequent to the award of the construction contract. In order to ensure federal funding eligibility, projects must be authorized by the State prior to advertising for construction.
- b. Upon completion of the Project, the State will issue a "Notification of Completion" acknowledging the Project's construction completion.

**12. Project Maintenance**

After the Project has been completed, the Local Government shall accept full ownership, and operate and maintain the facilities authorized by this Agreement for the benefit of and at no charge of toll to the public. This covenant shall survive the completion of construction under this Agreement.

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### 13. Local Project Sources and Uses of Funds

- a. A Project Cost Estimate is provided in Attachment D, "Estimate of Direct Costs".
- b. Attachment D provides a source of funds estimate as well as the estimated direct preliminary engineering, construction engineering, and construction costs for the Project in total and by the Local Government.
- c. The required Local Government participation is based solely upon the State's estimate of the eligible work at the time this Agreement is executed and will not be adjusted during construction except as needed to include any Project cost item or portion of a cost item ineligible for state or federal participation. In addition to its share of estimated direct engineering and construction costs, the Local Government is responsible for the direct cost of any project cost item or portion of a cost item that is not eligible for federal participation under the federal HBRRP. The Local Government is also responsible for any cost resulting from changes made at the request of the Local Government.
- d. After execution of this Agreement, but thirty (30) days prior to the performance of any work by the State, the Local Government will pay to the State the amount specified in Attachment D for the Local Government's contribution for preliminary engineering. The Local Government will pay at a minimum its funding share for this estimated cost of preliminary engineering.
- e. Forty-five (45) days prior to the date set for receipt of the construction bids, the Local Government shall remit its remaining financial share for the State's estimated construction oversight and construction costs and any other costs owing.
- f. If at the completion or termination of the Project the State determines that additional funding is required by the Local Government, the State shall notify the Local Government in writing. The Local Government shall make payment to the State within thirty (30) days from receipt of the State's written notification.
- g. Whenever funds are paid by the Local Government to the State under this Agreement, the Local Government shall remit a check or warrant made payable to the "Texas Department of Transportation Trust Fund." The check or warrant shall be deposited by the State in an escrow account to be managed by the State. Funds in the escrow account may only be applied to the State Project.
- h. Upon completion of the Project, the State will perform an audit of the Project costs. Any funds due to the Local Government, the State, or the Federal Government will be promptly paid by the owing party.
- i. The State will not pay interest on any funds provided by the Local Government.
- j. The Local Government funding participation responsibilities include Project direct costs only, except when the Project is terminated before completion at the request

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of the Local Government as addressed in the Termination provision of this Agreement.

- k. The amounts shown on Attachment D are estimates only. If actual costs exceed the estimates, this shall be considered a fixed price agreement, and no additional funding shall be required of the Local Government except to the extent that the additional costs result from changes made at the request of the Local Government or to the extent that the additional costs are not eligible for federal participation under the Federal Highway Bridge Replacement and Rehabilitation Program. If actual costs are less than the estimates, Local Government participation shall be recalculated based on actual costs. If the recalculation results in a reduction in participation by the Local Government, the State shall pay the difference to the Local Government upon completion of the Project.
  - l. Under the provisions of Texas Transportation Code Section 222.053 certain counties qualify as Economically Disadvantaged Counties (EDC) in comparison to other counties in the state as below average per capita property value, and below average per capita income, and above average unemployment, for certain years. If applicable, in consideration of such EDC status that may be applicable for the Project, the required local match fund participation has been adjusted to 4.3 percent.
  - m. The State will not execute the contract for the construction of a Project until the required funding has been made available by the Local Government in accordance with this Agreement.
  - n. The state auditor may conduct an audit or investigation of any entity receiving funds from the state directly under the contract or indirectly through a subcontract under the contract. Acceptance of funds directly under the contract or indirectly through a subcontract under this contract acts as acceptance of the authority of the state auditor, under the direction of the legislative audit committee, to conduct an audit or investigation in connection with those funds. An entity that is the subject of an audit or investigation must provide the state auditor with access to any information the state auditor considers relevant to the investigation or audit.
14. **Performance by Local Government of Equivalent-Match Projects (EMPs) in Return for Waiver of Local Match Participation Funding on Participation-Waived Projects (PWP)**
- a. **Applicability.** If a request for waiver has been received and approved by the State's District Engineer, then the required ten percent matching fund participation or percent as adjusted for EDC consideration, as shown in Attachment D, "Estimate of Direct Costs", but excluding ineligible costs under the bridge program, is waived. This waiver is based on the commitment of the Local Government to spend an equivalent amount of funds for structural or safety improvement on "other" bridge structures and other

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conditions as specified in 43 TAC Section 15.55(d). If a waiver has been granted, the Project shall be defined to be a Participation-Waived Project (PWP) and the work on the "other" bridge structures that will be improved by the Local Government shall be defined to be the Equivalent-Match Project(s) (EMP). Attachment C to this Agreement shows a list of EMP(s) under this Agreement.

- b. Project Cost Estimate for PWP. Attachment D to this Agreement shows the estimated direct preliminary engineering, construction engineering and construction costs for the PWP in total and local match fund participation being waived, or partially waived.
- c. Credit Against EMP Work. Any local match fund participation that has already been paid, or which the Local Government is agreeable to paying to the State, will be credited against EMP work to be performed by the Local Government. If applicable, this credit(s) will be reflected in Attachment D to this Agreement.
- d. Responsibilities of the Local Government on EMP(s).
  - (1) The Local Government shall be responsible for all engineering and construction, and related costs thereto, and complying with all applicable state and federal environmental regulations and permitting requirements.
  - (2) The structural or safety improvement work on the EMP(s) shall be performed subsequent to the final execution of this Agreement but within three (3) calendar years after the earliest contract award of the related PWP(s).
  - (3) Written documentation, suitable for audit, of the structural or safety improvement work completed on the EMP(s) shall be kept on file by the Local Government for four (4) years after completion of work or claims, lawsuits, or audits related thereto, whichever is longer. A notice of completion of work on the EMP(s) shall be delivered to the State's District Engineer no later than thirty (30) calendar days after work is completed on the EMP(s).
  - (4) Failure by the Local Government to adequately complete the EMP(s) within the stated three-year period shall result in the Local Government being excluded from receiving such waivers for a minimum of five (5) years.
- e. Funding of Ineligible or Additional Work Not Waived. Regardless of any waiver of eligible program costs, the Local Government shall pay the State 100 percent of the cost of any PWP item or portion of a cost item that is not eligible for federal or state participation, and 100 percent of the costs resulting from additional work on the PWP performed solely at the request of the Local Government. If the ineligible or additional work is preliminary engineering, the payment shall be made at least thirty (30) days prior to the beginning of preliminary engineering work on the PWP.  
 If the ineligible or additional work is for construction or construction engineering, the payment shall be made at least forty-five (45) days prior to the date set for receipt of bids for construction of the PWP.

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15. **Notices**

All notices to either party by the other required under this Agreement shall be delivered personally or sent by certified or U.S. mail, postage prepaid, addressed to such party at the following addresses:

State: **TxDOT**  
**Attn: Bridge Engineer**  
**1365 N. Main Street**  
**Paris, Texas 75460**

Local Government: **Hunt County**  
**Attn: County Judge**  
**P.O Box 1097**  
**Greenville, Texas 75403**

All notices shall be deemed given on the date so delivered or so deposited in the mail, unless otherwise provided herein. Either party may change the above address by sending written notice of the change to the other party. Either party may request in writing that such notices shall be delivered personally or by certified U.S. mail and such request shall be honored and carried out by the other party.

16. **Legal Construction**

In case one or more of the provisions contained in this Agreement shall for any reason be held invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provisions and this Agreement shall be construed as if it did not contain the invalid, illegal or unenforceable provision.

17. **Responsibilities of the Parties**

The parties to this Agreement agree that no party is an agent, servant, or employee of the other party and each party agrees it is responsible for its individual acts and deeds as well as the acts and deeds of its contractors, employees, representatives, and agents.

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**18. Ownership of Documents**

Upon completion or termination of this Agreement, all documents prepared by the State shall remain the property of the State. All data prepared under this Agreement shall be made available to the State without restriction or limitation on their further use.

All documents produced or approved or otherwise created by the Local Government shall be transmitted to the State in the form of photocopy reproduction on a monthly basis as required by the State. The originals shall remain the property of the Local Government. At the request of the State, the Local Government shall submit any information required by the State in the format directed by the State.

**19. Compliance with Laws**

The parties shall comply with all federal, state, and local laws, statutes, ordinances, rules and regulations, and the orders and decrees of any courts or administrative bodies or tribunals in any manner affecting the performance of this Agreement. When required, the Local Government shall furnish the State with satisfactory proof of this compliance.

**20. Sole Agreement**

This Agreement constitutes the sole and only agreement between the parties and supersedes any prior understandings or written or oral agreements respecting this Agreement's subject matter.

**21. Office of Management and Budget (OMB) Cost Principles**

In order to be reimbursed with federal funds, the parties shall comply with the Cost Principles established in OMB Circular A-87 that specify that all reimbursed costs are allowable, reasonable and allocable to the Project.

**22. Procurement and Property Management Standards**

The parties shall adhere to the procurement standards established in Title 49 CFR §18.36 and with the property management standard established in Title 49 CFR §18.32.

**23. Inspection of Books and Records**

The parties to the Agreement shall maintain all books, documents, papers, accounting records and other documentation relating to costs incurred under this Agreement and shall

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make such materials available to the State, the Local Government, and, if federally funded, the Federal Highway Administration (FHWA), and the U.S. Office of the Inspector General, or their duly authorized representatives for review and inspection at its office during the contract period and for four (4) years from the date of completion of work defined under this contract or until any impending litigation, or claims are resolved. Additionally, the State, the Local Government, and the FHWA and their duly authorized representatives shall have access to all the governmental records that are directly applicable to this Agreement for the purpose of making audits, examinations, excerpts, and transcriptions.

In accordance with Section 902 of the American Recovery and Reinvestment Act of 2009 (ARRA), should this agreement involve the expenditure of ARRA funds, then the U.S. Comptroller General and its representatives shall have the authority to:

- a. examine any records of the contractor or any of its subcontractors, or any State or local agency administering such contract, that directly pertain to, and involve transactions relating to the contract or subcontract; and
- b. interview any officer or employee of the contractor or any of its subcontractors, or any State or local agency administering the contract regarding such contracts.

Nothing in the section previously mentioned shall be interpreted to limit or restrict in any way the existing authority of the Comptroller General.

In accordance with Section 1515(a) of the ARRA, with respect to each contract or grant awarded using covered funds, any representative of an appropriate inspector general appointed under Section 3 or 8G of the Inspector General Act of 1978 (5 U.S.C. App.), is authorized:

- a. to examine any records of the contractor or grantee, any of its subcontractors or subgrantees, or any State or local agency administering such contract that pertain to and involve transactions relating to the contract, subcontract, grant, or subgrant; and
- b. to interview any officer or employee of the contractor, grantee or subgrantee, or agency regarding such transactions.

Section 1515(b) further provides that nothing in the section previously mentioned shall be interpreted to limit or restrict in any way the existing authority of an inspector general.

The ARRA requires that the Contractor report monthly employment information for its firm as well as that of all of its subcontractors. The Contractor, similarly, shall include this reporting requirement in all of its subcontracts. Failing to include the requirement in agreements with subcontractors can serve as grounds for contract termination.



CSJ # 0901-22-077  
 District # 01  
 Code Chart 64 # 50117  
 Project: **Replace Off-System Bridge**  
 NBI Structure # 01-117-0-AA0120-001  
 CFDA # 20.205

Form FHWA-1589, Monthly Employment Report, promulgated by the Federal Highway Administration (FHWA), captures the necessary monthly employment information and shall be submitted by the Contractor on a regular basis to the LG (Local Government). It is the responsibility of the LG to obtain this form from the prime Contractor and any subcontractors and, the LG shall verify the accuracy, completeness, and reasonableness of the data contained in the form. The LG shall ensure that this form is submitted by the LG to the State according to the policies and at the direction of the State.

In order to meet any other FHWA and ARRA reporting requirements, the LG shall provide to the State all information requested by the State, including data or information in possession of contractors and subcontractors for completing other necessary reporting forms, and the information shall be submitted in the manner required and according to all due dates as set by the State.

**24. Office of Management and Budget (OMB) Audit Requirements**

The parties shall comply with the requirements of the Single Audit Act of 1984, P.L. 98-502, ensuring that the single audit report includes the coverage stipulated in OMB Circular No. A-128 through August 31, 2000 and stipulated in OMB Circular A-133 after August 31, 2000.

**25. Civil Rights Compliance**

The parties to this Agreement shall comply with the regulations of the U.S. Department of Transportation as they relate to nondiscrimination (49 CFR Chapter 21 and 23 CFR §710.405(B)), and Executive Order 11246 titled "Equal Employment Opportunity," as amended by Executive Order 11375 and supplemented in the Department of Labor Regulations (41 CFR Part 60).

**26. Disadvantaged Business Enterprise Program Requirements**

The parties shall comply with the Disadvantaged/Minority Business Enterprise Program requirements established in 49 CFR Part 26.

**27. Debarment Certifications**

The parties are prohibited from making any award at any tier to any party that is debarred or suspended or otherwise excluded from or ineligible for participation in Federal

CSJ # 0901-22-077  
District # 01  
Code Chart 64 # 50117  
Project: **Replace Off-System Bridge**  
NBI Structure # 01-117-0-AA0120-001  
CFDA # 20.205

Assistance Programs under Executive Order 12549, "Debarment and Suspension." By executing this agreement, the Local Government certifies that it is not currently debarred, suspended, or otherwise excluded from or ineligible for participation in Federal Assistance Programs under Executive Order 12549. The parties to this contract shall require any party to a subcontract or purchase order awarded under this contract to certify its eligibility to receive Federal funds and, when requested by the State, to furnish a copy of the certification.

#### 28. **Lobbying Certification**

In executing this Agreement, the signatories certify to the best of his or her knowledge and belief, that:

- a. No federal appropriated funds have been paid or will be paid by or on behalf of the parties to any person for influencing or attempting to influence an officer or employee of any federal agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any federal contract, the making of any federal grant, the making of any federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any federal contract, grant, loan, or cooperative agreement.
- b. If any funds other than federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with federal contracts, grants, loans, or cooperative agreements, the signatory for the Local Government shall complete and submit the Federal Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.
- c. The parties shall require that the language of this certification be included in the award documents for all subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that all subrecipients shall certify and disclose accordingly.

By executing this Agreement, the parties affirm this lobbying certification with respect to the Project and affirm this certification of the material representation of facts upon which reliance will be made. Submission of this certification is a prerequisite for making or entering into this transaction imposed by Title 31 U.S.C. §1352. Any person who fails to

CSJ # 0901-22-077  
District # 01  
Code Chart 64 # 50117  
Project: **Replace Off-System Bridge**  
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CFDA # 20.205

file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

**29. Successors and Assigns**

The State and the Local Government each binds itself, its successors, executors, assigns, and administrators to the other party to this Agreement and to the successors, executors, assigns, and administrators of such other party in respect to all covenants of this Agreement.

**30. Local Government Restrictions**

In the case that the local government has an existing, future or proposed local ordinance commissioners court order, rule policy, or other directive that is more restrictive than the state or federal regulations that results in an increase cost to the State for the project, the local government is responsible for all increased costs associated with the ordinance, order, policy, directive, or change.

**31. Signatory Warranty**

The signatories to this Agreement warrant that each has the authority to enter into this Agreement on behalf of the party represented.

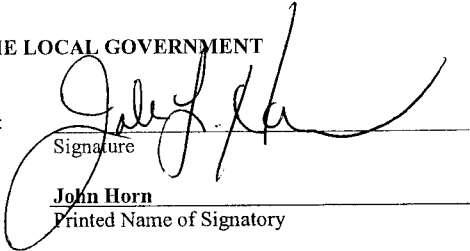
CSJ # 0901-22-077  
District # 01  
Code Chart 64 # 50117  
Project: **Replace Off-System Bridge**  
NBI Structure # 01-117-0-AA0120-001  
CFDA # 20.205

IN TESTIMONY HEREOF, the parties hereto have caused these presents to be executed in duplicate counterparts.

**THE LOCAL GOVERNMENT**

By:

Signature



**John Horn**

Printed Name of Signatory

Title:

**Hunt County Judge**

Date:

*10/25/2010*

**THE STATE OF TEXAS**

Executed for the Executive Director and approved for the Texas Transportation Commission for the purpose and effect of activating and/or carrying out the orders, established policies or work programs heretofore approved and authorized by the Texas Transportation Commission.

By:

David P. Hohmann, PE  
Director, Bridge Division

Date:

\_\_\_\_\_

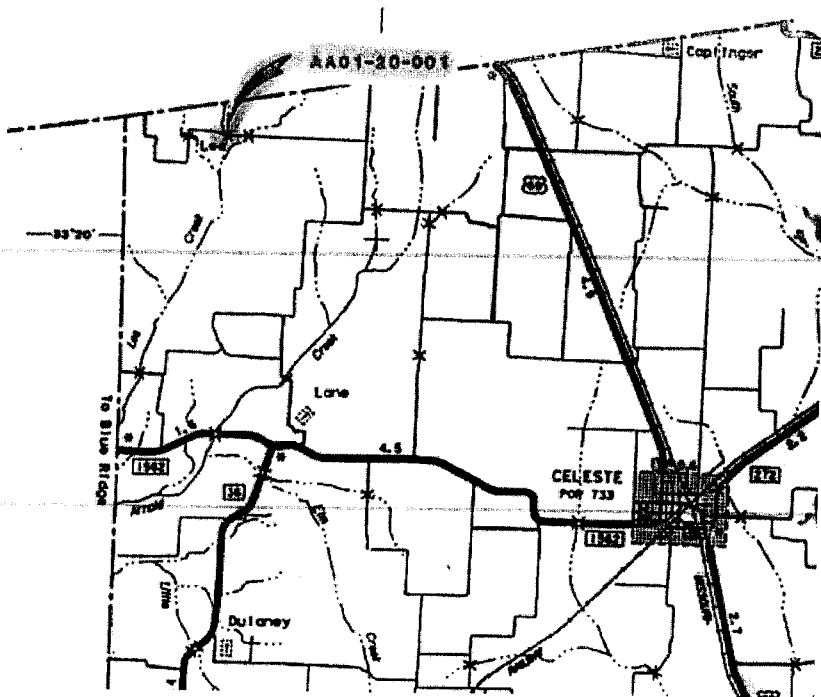
CSJ # 0901-22-077  
District # 01  
Code Chart 64 # 50117  
Project: **Replace Off-System Bridge**  
NBI Structure # 01-117-0-AA0120-001  
CFDA # 20.205

**ATTACHMENT A**

RESOLUTION OR ORDINANCE OF LOCAL GOVERNMENT

CSJ # 0901-22-077  
District # 01  
Code Chart 64 # 50117  
Project: Replace Off-System Bridge  
NBI Structure # 01-117-0-AA0120-001  
CFDA # 20.205

**ATTACHMENT B**  
PROJECT LOCATION MAP





CSJ # 0901-22-077  
 District # 01  
 Code Chart 64 # 50117  
 Project: **Replace Off-System Bridge**  
 NBI Structure # 01-117-0-AA0120-001  
 CFDA # 20.205

## ATTACHMENT D

### ESTIMATE OF DIRECT COSTS

		<u>Estimated Cost</u>	<u>Local Government Participation</u>
Preliminary Engineering (PE)	(1)	<u>\$28,900</u>	
Ten (10) Percent or EDC Adjusted Percent of PE for Local Government Participation <i>(Adjusted to 4.3% for EDC FY 10)</i>			(3) <u>\$1,243</u>
Construction		<u>\$170,000</u>	
Engineering and Contingency (E&C)		<u>\$8,500</u>	
The Sum of Construction and E&C	(2)	<u>\$178,500</u>	
Ten (10) Percent or EDC Adjusted Percent of the Sum of Construction and E&C for Local Government Participation <i>(Adjusted to 4.3% for EDC FY 10)</i>			(4) <u>\$7,676</u>
Amount of Advance Funds Paid by Local Government *			(5) <u>\$0.00</u>
Amount of Advance Funds to be Paid by Local Government *			(6) <u>\$0.00</u>
Balance of Local Government Participation which is to be Waived where the Project is a PWP			(3+4-5-6) <u>\$8,918</u>
Total Project Direct Cost	(1+2)	<u>\$207,400</u>	

\* Credited Against Local Government Participation Amount

If this Project is to be a PWP, Amount of  
EMP Work Being Credited to this PWP as  
Shown on Attachment C.

**\$8,918**



AFFIDAVIT

The State of Texas,  
County of HUNT

Before me, Katrina Pemberton, a notary public in and for the State of Texas, on this day personally appeared John L. Horn, who being by me duly sworn, upon oath says:

I, John L. Horn, representing the city/county of HUNT, having been duly elected on Jan. 1, 2007 and having served continuously since that time, certify in my official capacity that, to the best of my knowledge, the information contained in this application is true and correct.

[Signature]  
Signature Date 10/25/2010

Subscribed and sworn to before me, by the said John L. Horn, this 25th day of October, 2010, to certify which witness my hand and seal of office.

My commission expires January 7, 2013.



Katrina Pemberton  
Official Signature

Katrina Pemberton  
Printed or stamped name of Notary

## FY 2010 ECONOMICALLY DISADVANTAGED COUNTIES PROGRAM INFORMATION SHEET

COUNTY Hunt APPLICANT Hunt

**District Contact Information**

Name: Penny Sansom Telephone: 903-737-9373

If the project is an "OFF-SYSTEM" project, is the project in the Unified Transportation Program (UTP) and have a local funding agreement in place, or in a District Bank Balance Program?

(Circle as appropriate)  YES or NO

If the applicant is a CITY within an eligible county, please answer the two following questions:

# 1 Economic Development Sales Tax? (Circle as appropriate) YES or NO

# 2 Population ( 2007 Census)? \_\_\_\_\_

**PROJECT INFORMATION**

UTP PRIORITY STATUS:	CONS
CSJ:	0901-22-077
ESTIMATED LETTING DATE	Nov, 2012

On-System? ( Circle as appropriate) YES or  NO

**LOCATION AND LIMITS - Give highway number with limits from and to**

At CR 120-1 at Lee Creek

**PROJECT SCOPE- Give type of work**

Bridge Replacement

**ADJUSTMENT RATIONAL- Give reason why the adjustment is needed**

**ANTICIPATED PROJECT COST BREAKDOWN OF ELIGIBLE COMPONENTS**

1. Project Component	2. Est. Total Cost (\$)	3. Local Participation (%)	Adjustment - <u>57.00</u>	
			4. Est. Required Local Match (\$)	5. Local Participation After Adjustment (\$)
Preliminary Engineering	\$28,900	10%	\$2,890	\$1,243
Construction Engineering	\$178,500	10%	\$17,850	\$7,676
			\$0	\$0
			\$0	\$0
<b>TOTAL</b>	<b>\$207,400</b>		<b>\$20,740</b>	<b>\$8,919</b>

Approved by  Date 10-13-10

## FY 2010 ECONOMICALLY DISADVANTAGED COUNTIES PROGRAM INFORMATION SHEET

COUNTY Hunt APPLICANT Hunt

**District Contact Information**

Name: Penny Sansom Telephone: 903-737-9373

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(Circle as appropriate)  YES or  NO

If the applicant is a CITY within an eligible county, please answer the two following questions:

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# 2 Population ( 2007 Census)? \_\_\_\_\_

**PROJECT INFORMATION**

UTP PRIORITY STATUS:	CONS
CSJ:	0901-22-078
ESTIMATED LETTING DATE	Nov, 2012

On-System? ( Circle as appropriate) YES or  NO

**LOCATION AND LIMITS - Give highway number with limits from and to**

At CR 120-2 at Lee Creek Tributary

**PROJECT SCOPE- Give type of work**

Bridge Replacement

**ADJUSTMENT RATIONAL- Give reason why the adjustment is needed**

**ANTICIPATED PROJECT COST BREAKDOWN OF ELIGIBLE COMPONENTS**

			Adjustment -	57.00
1. Project Component	2. Est. Total Cost (\$)	3. Local Participation (%)	4. Est. Required Local Match (\$)	5. Local Participation After Adjustment (\$)
Preliminary Engineering	\$23,800	10%	\$2,380	\$1,023
Construction Engineering	\$147,000	10%	\$14,700	\$6,321
			\$0	\$0
			\$0	\$0
<b>TOTAL</b>	<b>\$170,800</b>		<b>\$17,080</b>	<b>\$7,344</b>

*R.R. [Signature]*

**FY 2010 ECONOMICALLY DISADVANTAGED COUNTIES PROGRAM  
INFORMATION SHEET**

COUNTY Hunt APPLICANT Hunt

District Contact Information

Name: Penny Sansom Telephone: 903-737-9373

If the project is an "OFF-SYSTEM" project, is the project in the Unified Transportation Program (UTP) and have a local funding agreement in place, or in a District Bank Balance Program?

(Circle as appropriate)  YES or  NO

If the applicant is a CITY within an eligible county, please answer the two following questions:

# 1 Economic Development Sales Tax? (Circle as appropriate) YES or NO

# 2 Population ( 2007 Census)? \_\_\_\_\_

**PROJECT INFORMATION**

UTP PRIORITY STATUS:	CONS
CSJ:	0901-22-079
ESTIMATED LETTING DATE	Nov, 2012

On-System? ( Circle as appropriate) YES or  NO

**LOCATION AND LIMITS - Give highway number with limits from and to**

At CR 125-1 at South Sulphur River Tributary

**PROJECT SCOPE- Give type of work**

Bridge Replacement

**ADJUSTMENT RATIONAL- Give reason why the adjustment is needed**

**ANTICIPATED PROJECT COST BREAKDOWN OF ELIGIBLE COMPONENTS**

1. Project Component	2. Est. Total Cost (\$)	3. Local Participation (%)	Adjustment - <u>57.00</u>	
			4. Est. Required Local Match (\$)	5. Local Participation After Adjustment (\$)
Preliminary Engineering	\$23,800	10%	\$2,380	\$1,023
Construction Engineering	\$147,000	10%	\$14,700	\$6,321
			\$0	\$0
			\$0	\$0
<b>TOTAL</b>	<b>\$170,800</b>		<b>\$17,080</b>	<b>\$7,344</b>

Approved by  Date 10.13-10

## FY 2010 ECONOMICALLY DISADVANTAGED COUNTIES PROGRAM INFORMATION SHEET

COUNTY Hunt APPLICANT Hunt

**District Contact Information**

Name: Penny Sansom Telephone: 903-737-9373

If the project is an "OFF-SYSTEM" project, is the project in the Unified Transportation Program (UTP) and have a local funding agreement in place, or in a District Bank Balance Program?

(Circle as appropriate)  YES or NO

If the applicant is a CITY within an eligible county, please answer the two following questions:

# 1 Economic Development Sales Tax? (Circle as appropriate) YES or NO

# 2 Population ( 2007 Census)? \_\_\_\_\_

**PROJECT INFORMATION**

UTP PRIORITY STATUS:	CONS
CSJ:	0901-22-082
ESTIMATED LETTING DATE	Nov, 2012

On-System? ( Circle as appropriate) YES or  NO

**LOCATION AND LIMITS - Give highway number with limits from and to**

At CR 245-1 at Glendining Creek

**PROJECT SCOPE- Give type of work**

Bridge Replacement

**ADJUSTMENT RATIONAL- Give reason why the adjustment is needed**

**ANTICIPATED PROJECT COST BREAKDOWN OF ELIGIBLE COMPONENTS**

1. Project Component	2. Est. Total Cost (\$)	3. Local Participation (%)	Adjustment - 57.00	
			4. Est. Required Local Match (\$)	5. Local Participation After Adjustment (\$)
Preliminary Engineering	\$23,800	10%	\$2,380	\$1,023
Construction Engineering	\$147,000	10%	\$14,700	\$6,321
			\$0	\$0
			\$0	\$0
<b>TOTAL</b>	<b>\$170,800</b>		<b>\$17,080</b>	<b>\$7,344</b>

Approved by *B.B. Felt* Date 10.13.10

**FY 2010 ECONOMICALLY DISADVANTAGED COUNTIES PROGRAM  
INFORMATION SHEET**

COUNTY Hunt APPLICANT Hunt

District Contact Information

Name: Penny Sansom Telephone: 903-737-9373

If the project is an "OFF-SYSTEM" project, is the project in the Unified Transportation Program (UTP) and have a local funding agreement in place, or in a District Bank Balance Program?

(Circle as appropriate)  YES or  NO

If the applicant is a CITY within an eligible county, please answer the two following questions:

# 1 Economic Development Sales Tax? (Circle as appropriate) YES or NO

# 2 Population ( 2007 Census)? \_\_\_\_\_

**PROJECT INFORMATION**

UTP PRIORITY STATUS:	CONS
CSJ:	0901-22-080
ESTIMATED LETTING DATE	Nov, 2012

On-System? ( Circle as appropriate) YES or  NO

**LOCATION AND LIMITS - Give highway number with limits from and to**

At CR 127-2 at South Sulphur River Branch

**PROJECT SCOPE- Give type of work**

Bridge Replacement

**ADJUSTMENT RATIONAL- Give reason why the adjustment is needed**

**ANTICIPATED PROJECT COST BREAKDOWN OF ELIGIBLE COMPONENTS**

1. Project Component	2. Est. Total Cost (\$)	3. Local Participation (%)	Adjustment - <u>57.00</u>	
			4. Est. Required Local Match (\$)	5. Local Participation After Adjustment (\$)
Preliminary Engineering	\$23,800	10%	\$2,380	\$1,023
Construction Engineering	\$147,000	10%	\$14,700	\$6,321
			\$0	\$0
			\$0	\$0
<b>TOTAL</b>	<b>\$170,800</b>		<b>\$17,080</b>	<b>\$7,344</b>

*R L Y add 1*

**FY 2010 ECONOMICALLY DISADVANTAGED COUNTIES PROGRAM  
INFORMATION SHEET**

COUNTY Hunt APPLICANT Hunt

District Contact Information

Name: Penny Sansom Telephone: 903-737-9373

If the project is an "OFF-SYSTEM" project, is the project in the Unified Transportation Program (UTP) and have a local funding agreement in place, or in a District Bank Balance Program?

(Circle as appropriate)  YES or NO

If the applicant is a CITY within an eligible county, please answer the two following questions:

# 1 Economic Development Sales Tax? (Circle as appropriate) YES or NO

# 2 Population ( 2007 Census)? \_\_\_\_\_

**PROJECT INFORMATION**

UTP PRIORITY STATUS:	DVLP
CSJ:	0901-22-100
ESTIMATED LETTING DATE	Aug, 2012

On-System? ( Circle as appropriate) YES or  NO

**LOCATION AND LIMITS - Give highway number with limits from and to**

At CR 210-1 at Red Oak Creek

**PROJECT SCOPE- Give type of work**

Bridge Replacement

**ADJUSTMENT RATIONAL- Give reason why the adjustment is needed**

**ANTICIPATED PROJECT COST BREAKDOWN OF ELIGIBLE COMPONENTS**

1. Project Component	2. Est. Total Cost (\$)	3. Local Participation (%)	Adjustment - <u>57.00</u>	
			4. Est. Required Local Match (\$)	5. Local Participation After Adjustment (\$)
Preliminary Engineering	\$20,400	10%	\$2,040	\$877
Construction Engineering	\$126,000	10%	\$12,600	\$5,418
			\$0	\$0
			\$0	\$0
<b>TOTAL</b>	<b>\$146,400</b>		<b>\$14,640</b>	<b>\$6,295</b>

*[Handwritten Signature]*

10-12-10



JOHN L. HORN  
HUNT COUNTY JUDGE  
KATRINA PEMBERTON  
EXECUTIVE ASSISTANT  
(903) 408-4146  
(903) 408-4299 FAX

# HUNT COUNTY

POST OFFICE BOX 1097 • GREENVILLE, TEXAS 75403-1097

11, 725

AMENDED  
*Hunt County Holiday Schedule*  
2010

FILED FOR RECORD  
at 11:45 o'clock A.M.

SEP 23 2010

LINDA BRIGGS  
County Clerk, Hunt County, Tex.  
By *[Signature]*

January 1	New Year's Day	Friday
January 18	Martin Luther King Day	Monday
April 2	Good Friday	Friday
May 31	Memorial Day	Monday
July 5	Independence Day	Monday
September 6	Labor Day	Monday
November 11	Veteran's Day	Thursday
November 25 & 26	Thanksgiving Holiday	Thurs. & Fri.
December 23 & 24	Christmas Holiday	Thurs. & Fri.

Produced by [Redacted]





JOHN L. HORN  
HUNT COUNTY JUDGE  
KATRINA PEMBERTON  
EXECUTIVE ASSISTANT  
(903) 408-4146  
(903) 408-4299 FAX

# HUNT COUNTY

POST OFFICE BOX 1097 • GREENVILLE, TEXAS 75403-1097

11,724

## *Hunt County Holiday Schedule 2011*

FILED FOR RECORD  
at 11:45 o'clock 17 M

SEP 23 2010

LINDA BROOKS  
County Clerk, Hunt County, Tex.  
By 9 *[Signature]*

January 17	Martin Luther King Day	Monday
April 22	Good Friday	Friday
May 30	Memorial Day	Monday
July 4	Independence Day	Monday
September 5	Labor Day	Monday
November 11	Veteran's Day	Friday
November 24 & 25	Thanksgiving Holiday	Thurs. & Fri.
December 23 & 26	Christmas Holiday	Fri. & Mon.

**RUTHERFORD,  
TAYLOR &  
COMPANY, P.C.**  
*Certified Public Accountants*

11, 730

FILED FOR RECORD  
LUNA SANCHEZ  
CLERK OF THE JUSTICE  
10 OCT 28 PM 3:28  
BY: [Signature]  
DEPUTY

2802 Washington Street

Greenville, Texas 75401

(903) 455-6252

Fax (903) 455-6667

October 8, 2010

Honorable County Judge and  
County Commissioners  
Hunt County, Texas

We are pleased to confirm our understanding of the services we are to provide Hunt County, Texas for the year ended September 30, 2010. We will audit the financial statements of the governmental activities, each major fund and the aggregate remaining fund information which collectively comprises the basic financial statements of Hunt County, Texas, as of and for the year ended September 30, 2010. Accounting standards generally accepted in the United States provide for certain required supplementary information (RSI), such as management's discussion and analysis (MD&A), to accompany Hunt County's basic financial statements. As part of our engagement, we will apply certain limited procedures to Hunt County's RSI. These limited procedures will consist principally of inquiries of management regarding the methods of measurement and presentation, which management is responsible for affirming to us in its representation letter. Unless we encounter problems with the presentation of the RSI or with procedures relating to it, we will disclaim an opinion on it. The following RSI is required by generally accepted accounting principles and will be subjected to certain limited procedures, but will not be audited:

1. Management's Discussion and Analysis.
2. Budgetary Comparison Schedules – General Fund.
3. Budgetary Comparison Schedules – Major Special Revenue Funds with legally adopted budgets.

**Audit Objectives**

The objective of our audit is the expression of an opinion as to whether the County's basic financial statements are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles and to report on the fairness of the additional information referred to in the first paragraph when considered in relation to the basic financial statements taken as a whole. Our audit will be conducted in accordance with U.S. generally accepted auditing standards and the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and will include tests of accounting records of Hunt County, and other procedures we consider necessary to enable us to express such opinions. If our opinions on the financial statements are other than unqualified, we will fully discuss the reasons with you in advance. If circumstances occur related to the condition of your records, the availability of sufficient, appropriate audit evidence, or the existence of a significant risk of material misstatement of the financial statements caused by error, fraudulent financial reporting, or misappropriation of assets, which in our professional judgment prevent us from completing the audit or forming an opinion on the financial statements, we retain the right to take appropriate action permitted by professional standards, including declining to express an opinion or issue

Hunt County, Texas  
Engagement Letter  
Page 2

We will also provide a report (that does not include an opinion) on internal control related to the financial statements and compliance with laws, regulations, and the provisions of contracts or grant agreements, noncompliance with which could have a material effect on the financial statements as required by *Government Auditing Standards*. The report on internal control and compliance will include a statement that the report is intended solely for the information and use of management, the body or individuals charged with governance, others within the entity, and specific legislative or regulatory bodies and is not intended to be and should not be used by anyone other than these specified parties. If during our audit we become aware that Hunt County is subject to an audit requirement that is not encompassed in the terms of this engagement, we will communicate to management and those charged with governance that an audit in accordance with U.S. generally accepted auditing standards and the standards for financial audits contained in *Government Auditing Standards* may not satisfy the relevant legal, regulatory, or contractual requirements.

### **Management Responsibilities**

Management is responsible for the basic financial statements and all accompanying information as well as all representations contained therein. We will prepare the trial balance for use during the audit. Our preparation of the trial balance will be limited to formatting information into a working trial balance based on management's chart of accounts. As part of the audit, we will assist with preparation of the financial statements and related notes. You are responsible for making all management decisions and performing all management functions relating to the financial statements and related notes and for accepting full responsibility for such decisions. Management will be required to acknowledge in the management representation letter our assistance with preparation of the financial statements and that management has reviewed and approved the financial statements and related notes prior to their issuance and have accepted responsibility for them. Further, management is required to designate an individual with suitable skill, knowledge, or experience to oversee any nonaudit services we provide and for evaluating the adequacy and results of those services and accepting responsibility for them.

Management is responsible for establishing and maintaining effective internal controls, including monitoring ongoing activities, to help ensure that appropriate goals and objectives are met; for the selection and application of accounting principles; and for the fair presentation in the financial statements of the respective financial position of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Hunt County and the respective changes in financial position and cash flows, where applicable, in conformity with U.S. generally accepted accounting principles.

Management is also responsible for making all financial records and related information available to us and for ensuring that management and financial information is reliable and properly recorded. Your responsibilities include adjusting the financial statements to correct material misstatements and for confirming to us in the representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

Management is responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the government involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud could have a material effect on the financial statements. Management is also responsible for informing us of its knowledge of any allegations of fraud or suspected fraud affecting the government received in communications from employees, former employees, grantors, regulators, or others. In addition, management is responsible for identifying and ensuring that the entity complies with applicable laws, regulations, contracts, agreements, and grants for taking timely and appropriate steps to remedy any fraud, illegal acts, violations of contracts, or grant agreements, or abuse that we may report.

Hunt County, Texas  
Engagement Letter  
Page 3

Management is responsible for establishing and maintaining a process for tracking the status of audit findings and recommendations. Management is also responsible for identifying for us previous financial audits, attestation engagements, performance audits or other studies related to the objectives discussed in the Audit Objectives section of this letter. This responsibility includes relaying to us corrective actions taken to address significant findings and recommendations resulting from those audits, attestation engagements, performance audits, or other studies. You are also responsible for providing management's views on our current findings, conclusions, and recommendations, as well as your planned corrective actions, for the report, and for the timing and format for providing that information.

With regard to the electronic dissemination of audited financial statements, including financial published electronically on your website, you understand that electronic sites are a means to distribute information and, therefore, we are not required to read the information contained in these sites or to consider the consistency of other information in the electronic site with the original document.

#### **Audit Procedures – General**

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested. We will plan and perform the audit to obtain reasonable rather than absolute assurance about whether the financial statements are free of material misstatement, whether from errors, fraudulent financial reporting, misappropriation of assets, or violations of laws or governmental regulations that are attributable to Hunt County or to acts by management or employees acting on behalf of Hunt County. Because the determination of abuse is subjective, *Government Auditing Standards* do not expect auditors to provide reasonable assurance of detecting abuse.

Because an audit is designed to provide reasonable, but not absolute assurance and because we will not perform a detailed examination of all transactions, there is a risk that material misstatements may exist and not be detected by us. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements. However, we will inform appropriate levels of management of any material errors and any fraudulent financial reporting or misappropriation of assets that comes to our attention. We will also inform appropriate levels of management of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential. Our responsibility as auditors is limited to the period covered by our audit and does not extend to later periods for which we are not engaged as auditors.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, and may include tests of the physical existence of inventories, and direct confirmation of receivables and certain other assets and liabilities by correspondence with selected individuals, funding sources, creditors, and financial institutions. We will request written representations from the County's attorneys as part of the engagement, and they may bill the County for responding to this inquiry. At the conclusion of our audit, we will also require certain written representations from the County about the financial statements and related matters.

#### **Audit Procedures – Internal Controls**

Our audit will include obtaining an understanding of the entity and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures. Tests of controls may be performed to test the effectiveness of certain controls that we consider relevant to preventing and detecting errors and fraud that

An audit is not designed to provide assurance on internal control or to identify significant deficiencies. However, during the audit, we will communicate to management and those charged with governance internal control related matters that are required to be communicated under AICPA professional standards and *Government Auditing Standards*.

### **Audit Procedures – Compliance**

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of Hunt County's compliance with the provisions of applicable laws, regulations, contracts, agreements, and grants. However, the objective of our audit will not be to provide an opinion on overall compliance and we will not express such an opinion in our report on compliance issued pursuant to *Government Auditing Standards*.

### **Audit Administration, Fees, and Other**

We understand that County employees will prepare cash, accounts receivable, or other confirmations we request and will locate any invoices selected by us for testing.

We will provide the copies of our reports to Hunt County; however, management is responsible for distribution of the reports and the financial statements. Unless restricted by law or regulation, or containing privileged and confidential information, copies of our reports are to be made available for public inspection.

The audit documentation for this engagement is the property of Rutherford, Taylor & Company, P.C. and constitutes confidential information. However, pursuant to authority given to it by law or regulation we may be requested to make certain audit documentation available to the State of Texas or its designee, a federal agency providing direct or indirect funding, or the U.S. Government Accountability Office for purposes of a quality review of the audit, to resolve audit findings, or to carry out oversight responsibilities. We will notify you of any such request. If requested, access to such audit documentation will be provided under the supervision of Rutherford, Taylor & Company, P.C. personnel. Furthermore, upon request, we may provide photocopies of selected workpapers to the aforementioned parties. These parties may intend, or decide, to distribute the copies or information contained therein to others, including other governmental agencies.

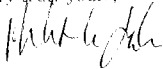
The audit documentation for this engagement will be retained for a minimum of five years after the date the report release date or for any additional period requested by the grantor agencies. If we are aware that a federal awarding agency, pass-through entity, or auditee is contesting an audit finding, we will contact the party (ies) contesting the audit finding for guidance prior to destroying the audit documentation.

We expect to issue our reports no later than March 31, 2011. Robert K. Lake is the engagement partner and is responsible for supervising the engagement and signing the reports or authorizing another individual to sign them. Our fee for these services will be at our standard hourly rates plus out-of-pocket costs (such as report reproduction, word-processing, postage, travel, copies, telephone, etc.) except that we agree that our gross fee, including expenses, will not exceed \$ 36,250. Our standard hourly rates vary according to the degree of responsibility involved and the experience level of the personnel assigned to your audit. Our invoices for these fees will be rendered upon completion of the audit. The above fee is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the audit. If significant additional time is necessary, we will discuss it with you and arrive at a new fee estimate before we incur the additional costs.

*Government Auditing Standards* require that we provide you with a copy of our most recent external quality control review report and any letter of comment, and any subsequent peer review reports and letters of comment received during the period of the contract. Our 2007 external quality review report and letter of comment accompanies this letter.

We appreciate the opportunity to be of service to Hunt County, Texas, and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign the enclosed copy and return it to us.

Very truly yours,



Robert K. Lake, CPA  
Rutherford, Taylor & Company, P.C.

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**RESPONSE:**

This letter correctly sets forth the understanding of Hunt County, Texas.

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

Title: John L. How Hunt County Judge

Date: October 25, 2010