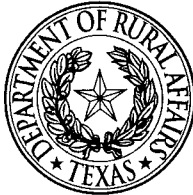


WWW.TDRA.STATE.TX.US
1300 N. Congress Avenue, Suite 2200
Austin, Texas 78701
P. (512) 475-4710 / (800) 544-3042
F. (512) 475-6776

MISSION:
To enhance the quality of life
for rural Texans.



GOVERNOR RICK PERRY

July 22, 2010

TDRA GOVERNING BOARD
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Executive Director

#11,619

FILED FOR RECORD
10 AUG -9 PM 2:06
CLERK OF COUNTY CLERK
COUNTY CLERK
DEPUTY

The Honorable John Horn
County Judge, Hunt County
2500 Lee Street
Greenville, Texas 75401

Re: TxCDBG Contract No. 710016

Dear Judge Horn:

I would like to congratulate your locality on its recent contract award under the Texas Community Development Block Grant Program (TxCDBG). Enclosed are two (2) signed copies of Contract No. 710016 between Hunt County and the Texas Department of Rural Affairs (TDRA), for your review and signature.

Please read the contract carefully, with special attention to the Reporting Requirements, Environmental Clearance Requirements and Special Conditions (Sections 8, 20 and 22) of this contract as these restrict your allowance to incur project costs and our ability to release contract funds to your local government. Please review the activities provided for in Exhibit A, Performance Statement; Exhibit B, Budget; Exhibit C, Project Implementation Schedule and the requirements of Exhibit D, The Applicable Laws and Regulations, and Exhibit E, Certifications. (Please consider having your city/county attorney review the enclosed contract).

These Exhibits must be adhered to during the contract period. All fiscal and administrative staff should be familiar with the budget categories and amounts. The program staff should be aware of the Performance Statement, and Project Implementation Schedule. Fiscal and program staff should be familiar with the Applicable Laws and Regulations. Copies of these Exhibits should be distributed to appropriate staff members.

Please review and sign both copies of the contract. The city/county must retain one (1) fully executed contract for their files and return one (1) fully executed contract to this office. If the name of the authorized person signing this contract is different from the name typed, please correct the name appearing in the contract. Please mail one (1) copy of the executed contract to the following address:

**Attn: Veronica Sandoval
Texas Department of Rural Affairs
Texas Community Development Block Grant Program
P.O. Box 12877
Austin, Texas 78711**

All Contractor localities are encouraged to utilize minority and women-owned businesses in completing contract activities whenever possible. Although Contractors are not directly responsible for meeting a specific goal, each year the U.S. Department of Housing and Urban Development establishes an overall minority business enterprise participation goal for the Texas Community Development Block Grant Program (TxCDBG). The Texas Building and Procurement Commission (TBPC), through the Texas Historically Underutilized Business (HUB) Program, can provide you with a directory of minority and women-owned businesses located in your area. If you would like to purchase a directory, please contact the TBPC at HUB program at 512/463-5872. This cost is an eligible expense under the TxCDBG administration category. Contractors are encouraged to place the businesses located in your area on vendor mailing lists to increase minority and women-owned business participation in the Texas Community Development Block Grant Program. Information regarding minority contracting is provided in Chapter 12 of the Project Implementation Manual.

Each local government expending \$500,000 or more in total federal or state funds during a fiscal year³¹ is required to submit two (2) copies of the Single Audit report to TDRA. Federal regulations require that the audit be submitted to the Texas Department of Rural Affairs within thirty (30) days of receipt of the completed audit report, but no later than nine (9) months after the end of the audit period. All Contractors are required to submit an audit certification form within sixty (60) days after the end of their fiscal year.

TDRA has established requirements to ensure that the contract is returned to TDRA in a timely manner. The current program rules require that the contract be executed within sixty (60) days from the date of this letter or the award will be withdrawn.

Should you have any questions or need additional information about the terms in this contract, please call Michael Ku, your Regional Coordinator, at 512-936-6723.

Sincerely,



Mark Wyatt, Director
Community Development

MW:vs

Enclosures: Contract

**CONTRACT NO. 710016 FOR
COMMUNITY DEVELOPMENT PROGRAMS**

STATE OF TEXAS]

COUNTY OF TRAVIS]

SECTION 1 PARTIES TO CONTRACT

This contract and agreement is made and entered into by and between the Texas Department of Rural Affairs, an agency of the State of Texas, referred to as the "Department", and Hunt County, referred to as the "Contractor". The parties have severally and collectively agreed and by the execution are bound to the mutual obligations and to the performance and accomplishment of the described tasks.

SECTION 2. CONTRACT PERIOD

This contract and agreement shall commence on July 14, 2010, and shall terminate on July 13, 2012, unless otherwise specifically provided by the terms of this contract.

SECTION 3. CONTRACTOR PERFORMANCE

The Contractor shall conduct, in a satisfactory manner as determined by the Department, a community development program, referred to as CDBG, in a non-entitlement area under Title I of the Housing and Community Development Act of 1974, as amended (42 U.S.C. Sec. 5301 et seq.), referred to as the Act. The Contractor shall perform all activities in accordance with the terms of the Performance Statement, referred to as Exhibit A; the Budget, referred to as Exhibit B; the Project Implementation Schedule, referred to as Exhibit C; the Applicable Laws and Regulations, referred to as Exhibit D; the Certifications, referred to as Exhibit E; the assurances, certifications, and all other statements made by the Contractor in its application for the project funded under this contract; and with all other terms, provisions, and requirements set forth in this contract. The Contractor shall ensure that the persons to benefit from the activities described in Exhibit A, Performance Statement, of this contract are receiving the service or a benefit from the use of the new or improved facilities and activities for the contract obligations to be fulfilled and before submitting the Project Completion Report to this Department. If the persons to benefit from the activities described in Exhibit A are not receiving the service or a benefit, the Contractor is liable to repay to the Department any associated disallowed costs.

The Contractor shall adhere to the Project Implementation Schedule timelines for key project activities as shown in Exhibit C. The Department may require the Contractor to submit written justification for any contract activity that is not completed by the end of the month specified on the schedule in Exhibit C. These key activities include Procurement of Professional Services Completed, Plans and Specifications Completed/Submitted for Approval, Environmental Review Completed, Clearance of Special Conditions, Wage Rate Request/Decision/10-Day Call, Bid Advertisement/ Construction Contract Awarded, Construction – 50 percent of TxCDBG project complete, Construction - 50 percent of TxCDBG funds requested from the Department; Construction - 75 percent of TxCDBG project complete, Construction - 75 percent of TxCDBG funds requested from the Department, Construction - 90 percent of TxCDBG project complete, Construction - 90 percent of TxCDBG funds requested from the Department, Final Inspections Completed, and Close-out documents submitted to the Department.

SECTION 4. DEPARTMENT OBLIGATIONS

A. Measure of Liability

In consideration of full and satisfactory performance of the activities referred to in Section 3 of this contract, the Department shall be liable for actual and reasonable costs incurred by the Contractor during the contract period for performances rendered under this contract by the Contractor, subject to the limitations set forth in this Section 4.

1. It is expressly understood and agreed by the parties that the Department's obligations under this Section 4 are contingent upon the actual receipt of adequate state or federal funds to meet Department's liabilities under this contract. If adequate funds are not available to make payments under this contract, Department shall notify the Contractor in writing within a reasonable time after such fact is determined. Department shall terminate this contract and will not be liable for failure to make payments to the Contractor under this contract.
2. The Department shall not be liable to the Contractor for any costs incurred by the Contractor, or any portion thereof, which has been paid to the Contractor or is subject to payment to the Contractor, or has been reimbursed to the Contractor or is subject to reimbursement to the Contractor by any source other than the Department or the Contractor.
3. The Department shall not be liable to the Contractor for any costs incurred by the Contractor which are not allowable costs, as set forth in Section 6 (A) of this contract.
4. The Department shall not be liable to the Contractor for any costs incurred by the Contractor or for any performances rendered by the Contractor which are not strictly in accordance with the terms of this contract, including the terms of Exhibit A, Exhibit B, Exhibit C, Exhibit D, and Exhibit E of this contract.
5. The Department shall not be liable to the Contractor for any costs incurred by the Contractor in the performance of this contract which have not been billed to the Department by the Contractor within sixty (60) days following termination of this contract unless otherwise provided for in the Certificate of Expenditures referred to in Section 8 (C) of this contract.
6. The Department shall not be liable for costs incurred or performances rendered by the Contractor before commencement of this contract or after termination of this contract, unless the Contractor receives written approval from the Department and they are specifically identified in Exhibit A, Performance Statement and Exhibit B, Budget, of this contract.
7. The Department shall not be liable for costs incurred and reserved on the Certificate of Expenditures if such costs are not billed to the Department within ninety days after the contract's termination date. An exception will be made for the reserved funds for the final 5% administrative drawdown for programmatic closure. Audit funds reserved on the Certificate of Expenditures eligible for reimbursement under the provisions of Section 19 of this contract shall be billed to the Department within twelve months after the end of the Contractor's fiscal year that follows the termination date of this contract. The Department shall deobligate all reserved funds not requested under this subsection.

B. Excess Payments

The Contractor shall refund to the Department any sum of money which has been paid to the Contractor by the Department, which the Department determines has resulted in overpayment to the Contractor, or which the Department determines has not been spent by the Contractor strictly in

accordance with the terms of this contract. Such refund shall be made by the Contractor to the Department within thirty (30) working days after such refund is requested by the Department.

C. Limit of Liability

Notwithstanding any other provision of this contract, the total of all payments and other obligations incurred by the Department under this contract shall not exceed the sum of Two Hundred Twenty-one Thousand and Nine Hundred and Sixty Dollars (\$221,960).

SECTION 5. METHOD OF PAYMENT

A. The Contractor shall submit to the Department at its offices in Travis County, Texas, a properly completed Request for Payment form and State of Texas Purchase Voucher, as specified by the Department, as often as actually needed. The Department shall determine the reasonableness of each amount requested and shall not make disbursement of any such payment until the Department has reviewed and approved such Request.

B. The Contractor's requests for the advance of funds shall be limited to the minimum amounts needed for effective operation of programs under this contract, and shall be timed as closely as possible to be in accord with actual cash requirements. The Contractor shall establish procedures to minimize the time elapsing between the transfer of funds from the Department to the Contractor and shall ensure that such funds are disbursed as soon as administratively possible.

C. Notwithstanding the provisions of Section 5 (A) of this contract, it is expressly understood and agreed by the parties that payments under this contract are contingent upon the Contractor's full and satisfactory performance of its obligations under this contract.

D. It is expressly understood and agreed by the parties that any right or remedy provided for in this Section 5 or in any other provision of this contract shall not preclude the exercise of any other right or remedy under this contract or under any provision of law, nor shall any action taken in the exercise of any right or remedy be deemed a waiver of any other rights or remedies. Failure to exercise any right or remedy shall not constitute a waiver of the right to exercise that or any other right or remedy at any time.

SECTION 6. UNIFORM ADMINISTRATIVE REQUIREMENTS, COST PRINCIPLES, AND PROGRAM INCOME

A. Except as specifically modified by law or the provisions of this contract, the Contractor shall comply with the Regulations in Exhibit D and, for matters not addressed therein, with 24 C.F.R. Part 85, "Administrative Requirements for Grants and Cooperative Agreements to State, Local and Federally Recognized Indian Tribal Governments" (referred to as the "Common Rule") as modified by the rules promulgated by the Office of the Governor under the Uniform Grant and Contract Management Act (TEX. GOV'T. CODE ANN. Chapter 783; referred to as "UGCMS."), in performing this contract. The allowability of costs incurred for performances rendered shall be determined in accordance with Office of Management and Budget (OMB) Circular A-87, as supplemented by UGCMS and this contract.

B. The Contractor shall comply with the requirements set forth in 24 C.F.R. Section 570.489(e) of the Regulations to account for program income related to activities financed in whole or in part with funds provided under this contract.

1. The Contractor shall maintain records of the receipt, accrual, and disposition of all program income in the same manner as required for all other funds under this contract, and the Contractor shall provide reports of program income to the Department with each form submitted by the Contractor in accordance with Section 5 of this contract, and at the termination of this contract.

2. Program income earned by the Contractor during the period of this contract shall be retained by the Contractor and utilized by the Contractor to fund performances specified in this contract, in the manner specified, prior to requesting additional funds from the Department.

3. At least sixty (60) days prior to the termination of this contract, the Contractor shall submit a plan to the Department for its approval which specifies the manner in which the Contractor proposes to use any unexpended program income earned under this contract to continue the performance specified in this contract in the manner specified. Any program income earned by the Contractor from this contract, prior to the establishment and approval of a Revolving Loan Fund plan by the Contractor must be returned to the Department. In the event the Department does not approve the plan submitted by the Contractor, the Contractor shall return such program income to the Department within thirty (30) working days after receipt of the Department's notification of disapproval.

SECTION 7. RETENTION AND ACCESSIBILITY OF RECORDS

A. The Contractor shall maintain fiscal records and supporting documentation for all expenditures of funds made under this contract in a manner which conforms to OMB Circular A 87, 24 CFR Section 570.490 of the Regulations in Exhibit D, and this contract. Such records must include data on the racial, ethnic, and gender characteristics of persons who are applicants for, participants in, or beneficiaries of the funds provided under this contract. The Contractor shall retain such records, and any supporting documentation, for the greater of: (i) three years after close-out of the HUD grant to the state of Texas (not the closeout of this contract); (ii) if notified by the Department in writing, the date that the final audit is accepted with all audit issues resolved to the Department's satisfaction, or (iii) a date consistent with the period required by other applicable laws and regulations as described in 24 CFR 570.487 and 570.488.

B. The Contractor shall give the United States Department of Housing and Urban Development, the Inspector General, the General Accounting Office, the Auditor of the State of Texas, an office or agency of the State of Texas, and the Department, or any of their duly authorized representatives, access to and the right to examine all books, accounts, records, reports, files, and other papers, things, or property belonging to or in use by the Contractor pertaining to this contract. Such rights to access shall continue as long as the records are retained by the Contractor. The Contractor agrees to maintain such records in an accessible location and to provide citizens reasonable access to such records consistent with the Texas Public Information Act.

C. The Contractor shall include the substance of this Section 7 in all subcontracts.

SECTION 8. REPORTING REQUIREMENTS

A. The Contractor shall submit to the Department such reports on the operation and performance of this contract as may be required by the Department including but not limited to the reports specified in this Section 8.

B. The Contractor shall submit to the Department no later than the twentieth (20th) day of the month after the end of each calendar quarter of the contract period specified in Section 2, a Quarterly Progress Report of the progress, in narrative form, of all construction and nonconstruction activities by budget categories performed pursuant to Exhibit A, Performance Statement, and of the expenditures and obligations of funds by budget category made pursuant to Exhibit B, Budget, of this contract. The Quarterly Progress Report shall be in a format prescribed by the Department and shall include all such activities, expenditures, and obligations made or performed under this contract during the previous quarter.

C. The Contractor shall submit a Certificate of Expenditures to the Department no later than ³⁶60 days after the contract termination date or at the conclusion of all contract activities as determined by the Department. The Certificate of Expenditures shall be in a format prescribed by the Department and shall be accompanied by a final Project Completion Report of all activities performed under this contract.

D. In addition to the limitations on liability otherwise specified in this contract, it is expressly understood and agreed by the parties that if the Contractor fails to submit to the Department in a timely and satisfactory manner any report required by this contract, the Department may, at its sole option and in its sole discretion, withhold any or all payments otherwise due or requested by the Contractor. If the Department withholds such payments, it shall notify the Contractor in writing of its decision and the reasons therefore. Payments withheld pursuant to this paragraph may be held by the Department until such time as the delinquent obligations for which funds are withheld are fulfilled by the Contractor.

E. The Contractor is required to immediately report to the Department any incident of criminal misapplication of Texas Community Development Block Grant (TxCDBG) funds associated with this contract.

SECTION 9. MONITORING

The Department reserves the right to perform periodic on-site monitoring of the Contractor's compliance with the terms and conditions of this contract, and of the adequacy and timeliness of the Contractor's performances under this contract. After each monitoring visit, the Department shall provide the Contractor with a written report of the monitor's findings. If the monitoring reports note deficiencies in the Contractor's performances under the terms of this contract, the monitoring report shall include requirements for the timely correction of such deficiencies by the Contractor. Failure by the Contractor to take action specified in the monitoring report may be cause for suspension or termination of this contract, as provided in Sections 17 and 18 of this contract.

SECTION 10. INDEPENDENT CONTRACTOR

It is expressly understood and agreed by the parties that the Department is contracting with the Contractor as an Independent Contractor, and that the Contractor, as such, agrees to the extent allowed by law to hold the Department harmless and to indemnify the Department from and against any and all claims, demands, and causes of action of every kind and character which may be asserted by any third party occurring or in any way incident to, arising out of, or in connection with the services to be performed by the Contractor under this contract.

SECTION 11. SUBCONTRACTS

A. Except for subcontracts to which the federal labor standards requirements apply, the Contractor may subcontract for performances described in this contract without obtaining the Department's prior written approval. The Contractor shall only subcontract for performances described in this contract to which the federal labor standards requirements apply after the Contractor has submitted a Subcontractor Eligibility form, as specified by the Department, for each such proposed subcontract, and the Contractor has obtained the Department's prior written approval, based on the information submitted, of the Contractor's intent to enter into such proposed subcontract. The Contractor, in subcontracting for any performances described in this contract, expressly understands that in entering into such subcontracts, the Department is in no way liable to the Contractor's subcontractor(s).

B. In no event shall any provision of this Section 11, specifically the requirement that the Contractor obtain the Department's prior written approval of a subcontractor's eligibility, be construed as relieving the Contractor of the responsibility for ensuring that the performances rendered under all subcontracts are rendered so as to comply with all of the terms of this contract, as if such performances rendered

were rendered by the Contractor. The Department's approval under Section 11 does not constitute adoption, ratification, or acceptance of the Contractor's or subcontractor's performance. The Department maintains the right to insist upon the Contractor's full compliance with the terms of this contract, and by the act of approval under Section 11, the Department does not waive any right of action which may exist or which may subsequently accrue to the Department under this contract.

C. The Contractor shall comply with 24 CFR Section 85.36, this contract and all applicable federal, state and local laws, regulations, and ordinances for making procurements under this contract.

D. The Contractor shall maintain a retainage in the amount of five percent (5%) of each construction or rehabilitation subcontract entered into by the Contractor until the Department determines that the Federal labor standards requirements applicable to each such subcontract have been satisfied.

SECTION 12. CONFLICT OF INTEREST

A. The Contractor shall ensure that no employee, officer, or agent of the Contractor shall participate in the selection, or in the award or administration of a subcontract supported by funds provided if a conflict of interest, real or apparent, would be involved. Such conflict of interest would arise when: 1) The employee, officer, or agent; 2) any member of his or her immediate family; 3) his or her partner; or, 4) any organization which employs, or is about to employ any of the above, has a financial or other interest in the firm or person selected to perform the subcontract. The Contractor shall comply with Chapter 171, Texas Local Government Code and 24 C.F.R. 570.489(h) of the federal regulations.

B. In all cases not governed by Subsection (A) of this Section, no persons specified in subsection (C) of this Section who exercise or have exercised any functions or responsibilities with respect to the activities assisted under this contract or any other CDBG contract or who are in a position to participate in a decision making process or gain inside information with regard to such activities, may obtain a financial interest or benefit from the activity, or have an interest or benefit from the activity, or have any interest in any contract, subcontract or agreement with respect thereto, or the proceeds thereunder, either for themselves or those with whom they have family or business ties during their tenure or for one year thereafter.

C. The conflict of interest provisions of Subsection (B) apply to any person who is an employee, agent, consultant, officer, or elected official or appointed official of the Contractor or of a subcontractor of the Contractor.

D. The Contractor shall include the substance of this section in all subcontracts.

SECTION 13. NONDISCRIMINATION, RELIGIOUS ACTIVITY, AND FAITH-BASED ORGANIZATIONS

A. The Contractor shall ensure that no person shall on the ground of race, color, national origin, religion, sex, age, or handicap be excluded from participation in, be denied the benefits of, or be subjected to discrimination under or be denied access to any program or activity funded in whole or in part with funds made available under this contract.

B. Organizations that are religious or faith-based are eligible, on the same basis as any other organization, to participate in this program and activities funded under this contract. The Contractor receiving funds under this contract shall not discriminate against an organization on the basis of the organizations' religious character or affiliation. None of the performances rendered by the Contractor under this contract shall involve, nor shall any portion of the funds received by the Contractor under this contract, be used to engage in inherently religious activities. Funds made available under this contract may not be used for the acquisition, construction, or rehabilitation of structures to the extent that those structures are used for inherently religious activities. Funds made available under this contract may be used for the acquisition, construction, or rehabilitation of structures only to the extent

that those structures are used for conducting eligible activities. Where a structure is used for both eligible and inherently religious activities, funds made available under this contract may not exceed the cost of those portions of the acquisition, construction, or rehabilitation that are attributable to eligible activities in accordance with the cost accounting requirements applicable to funds provided under this contract. The Contractor shall comply with the regulations promulgated by the U.S. Department of Housing and Urban Development on faith-based activities at 24 CFR Sec. 570.200(j).

SECTION 14. LEGAL AUTHORITY

A. The Contractor assures and guarantees that the Contractor possesses the legal authority to enter into this contract, receive funds authorized by this contract, and to perform the services the Contractor has obligated itself to perform.

B. The person or persons signing and executing this contract on behalf of the Contractor, or representing themselves as signing and executing this contract on behalf of the Contractor, do hereby warrant and guarantee that he, she or they have been duly authorized by the Contractor to execute this contract on behalf of the Contractor and to validly and legally bind the Contractor to all terms, performances, and provisions set forth.

C. The Department shall have the right to suspend or terminate this contract if there is a dispute as to the legal authority of either the Contractor or the person signing this contract to enter into this contract or to render performances. The Contractor is liable to the Department for any money it has received from the Department for performance of the provisions of this contract, if the Department has suspended or terminated this contract for reasons enumerated in this Section 14.

SECTION 15. LITIGATION AND CLAIMS

The Contractor shall give the Department immediate notice in writing of 1) any action, including any proceeding before an administrative agency, filed against the Contractor arising out the performance of any subcontract; and 2) any claim against the Contractor, the cost and expense of which the Contractor may be entitled to be reimbursed by the Department. Except as otherwise directed by the Department, the Contractor shall furnish immediately to the Department copies of all pertinent papers received by the Contractor with respect to such action or claim. The Contractor shall provide a notice to the Department within 30 days upon filing under any bankruptcy or financial insolvency provision of law.

SECTION 16. CHANGES AND AMENDMENTS

A. Except as specifically provided otherwise in this contract, any alterations, additions, or deletions to the terms of this contract shall be by amendment in writing and executed by both parties to this contract.

B. It is understood and agreed by the parties that performances under this contract must be rendered in accordance with the Act, the Regulations of the Department, assurances and certifications made to the Department by the Contractor, and the assurances and certifications made to the United States Department of Housing and Urban Development by the State of Texas with regard to the operation of the TxCDBG Program. Based on these considerations, and in order to ensure the legal and effective performance of this contract by both parties, it is agreed by the parties that the performances under this contract are amended by the provisions of the TxCDBG Project Implementation Manual and any amendments thereto and may further be amended in the following manner: The Department may from time to time during the period of performance of this contract issue policy directives which serve to establish, interpret, or clarify performance requirements under this contract. Such policy directives shall be promulgated by the Director of the TxCDBG in the form of TxCDBG issuances, shall have the effect of qualifying the terms of this contract and shall be binding upon the Contractor, as if written herein, provided however that the policy directives and any amendments to the TxCDBG Project

Implementation Manual shall not alter the terms of this contract so as to release the Department of any obligation specified in Section 4 of this contract to reimburse costs incurred by the Contractor prior to the effective date of the amendments or policy directives.

C. Any alterations, additions, or deletions to the terms of this contract which are required by changes in Federal or State law or regulations are automatically incorporated into this contract without written amendment, and shall become effective on the date designated by such law or regulation.

D. Notwithstanding Subsection A of this Section 16, the Contractor may make transfers of funds between or among budget categories of Exhibit B, Budget, without requiring an amendment to this contract, or otherwise requiring the Department's prior written approval provided that:

1. The cumulative dollar amount of all transfers among direct budget categories is equal to or less than ten percent (10%) of the total amount of this contract as specified in Section 4 (C);
2. The transfer will not change the scope or objective of the projects funded under this contract; and
3. The Contractor submits a budget revision report to the Department, on a form specified by the Department, simultaneously with the submission of the Contractor's first request for payment following any such transfers made in accordance with this Subsection D.

SECTION 17. SUSPENSION

Notwithstanding the provisions of TEX. GOV'T. CODE ANN. Chapter 2251, in the event the Contractor fails to comply with any term of this contract, the Department may, upon written notification to the Contractor, suspend this contract in whole or in part and withhold further payments to the Contractor, and prohibit the Contractor from incurring additional obligations of funds under this contract.

SECTION 18. TERMINATION

A. The Department shall have the right to terminate this contract, in whole or in part, at any time before the date of completion specified in Section 2 of this contract whenever the Department determines that the Contractor has failed to comply with any term of this contract. The Department shall notify the Contractor in writing prior to the thirtieth (30th) day preceding the date of termination of such determination; the reasons for such termination; the effective date of such termination; and in the case of partial termination, the portion of the contract to be terminated.

B. Either of the parties to this contract shall have the right to terminate this contract, in whole or in part, when both parties agree that the continuation of the activities funded under this contract would not produce beneficial results commensurate with the further expenditure of funds; provided that both parties agree, in writing, upon the termination conditions, including the effective date of such termination; and in the case of partial termination, the portion of the contract to be terminated.

C. Upon termination or receipt of notice to terminate, whichever occurs first, the Contractor shall cancel, withdraw, or otherwise terminate any outstanding orders or subcontracts related to the performance of this contract or the part of this contract to be terminated, and shall cease to incur costs thereunder. The Department shall not be liable to the Contractor or to the Contractor's creditors for costs incurred after termination of this contract.

D. Notwithstanding any exercise by the Department of its right of suspension under Section 17 of this contract, or of early termination pursuant to this Section 18, the Contractor shall not be relieved of any liability to the Department for damages due to the Department by virtue of any breach of this contract by the Contractor. The Department may withhold payments to the Contractor until such time as the

exact amount of damages due to the Department from the Contractor is agreed upon or is otherwise determined.

SECTION 19. AUDIT

A. The Contractor shall arrange for the performance of an annual financial and compliance audit of funds received and performances rendered under this contract, subject to the following conditions and limitations:

1. (a) **Audit Required-Federal Awards.** Contractors expending \$500,000 or more in Federal financial assistance for any fiscal year, beginning with fiscal years ending January 31, 2004 and after, shall have a single audit conducted in accordance with the Single Audit Act Amendments of 1996, 31 U.S.C. 7501, and OMB Circular No. A-133 - Revised as of June 27, 2003, "Audits of States, Local Governments, and Non-Profit Organizations." Alternatively, Department may require a program specific audit for certain situations and when the Single Audit Act does not apply. For purposes of this Section 19, "Federal financial assistance" means assistance that non- Federal entities receive or administer in the form of grants, loans, loan guarantees, property (including donated surplus property), cooperative agreements, interest subsidies, insurance, food commodities, direct appropriations, and other assistance, but does not include amounts received as reimbursement for services rendered to individuals as described in OMB Circular A-133 §__205 (h) and §__205 (i). The term includes awards of Federal financial assistance received directly from Federal agencies, or indirectly through other units of State and local government.

(b) **Audit Required-State Financial Assistance.** Contractors that expended \$500,000 or more in total State Financial Assistance for any fiscal year, beginning with fiscal years ending January 31, 2004 and after, shall have a single or program specific audit conducted for that year in accordance with provisions of the State of Texas Single Audit Circular and the Uniform Grant Management Standards (UGMS) as adopted June 2004. For purposes of this Section 19, "State Financial Assistance" (or cost reimbursement contract) means assistance that non-state entities receive or administer in the form of grants, loans, loan guarantees, property (including donated surplus property), cooperative agreements, interest subsidies, insurance, food commodities, and other assistance, but does not include amounts received as an reimbursement for services rendered to individuals as described in sec. __205 (f). "State Financial Assistance" (or cost reimbursement contract) is received directly from state awarding agencies or indirectly from pass-through entities under a federal block grant. State financial assistance also does not include federal awards as defined by OMB Circular A-133.

2. **Audit Expenses.** Notwithstanding Section 4, the Contractor shall utilize funds budgeted under this contract to pay for that portion of the cost of such audit services properly allocable to the activities funded by the Department under this contract, provided however that the Department shall not make payment for the cost of such audit services until the Department has received a satisfactory audit report and invoice, as determined by the Department, from the Contractor; the invoice submitted for reimbursement should clearly show the percentage of cost relative to the total single audit cost of the audit services. Therefore, when submitting a request for audit fees reimbursement, the Contractor shall submit an invoice that clearly shows the total cost of the audit and the corresponding prorated charge per funding source. In addition, when applicable, an explanation shall be submitted with the reimbursement request supporting why the percentage of audit fee charges exceeds the percentage amount of TxCDBG funds expended of the total funds expended by the Contractor.

3. If the Contractor meets the single audit expense threshold as described in Subsections A (1) (a) and A (1) (b) of this section, the Contractor shall submit...

- one (1) copy of the Single Audit Report;

- one (1) copy of the Department's Single Audit Report Submission Check List⁴¹ (See Audit Certification Form (ACF) packet for check list);
- one (1) copy of the CPA's Management Letter, (if issued by CPA firm to Contractor), and Management's response to the Department.

The Contractor shall submit the audit package to the Department within thirty (30) days after the completion of the audit, but no later than nine (9) months after the end of the Contractor's audit period (i.e., after the Contractor's fiscal year end). The Contractor shall ensure that the audit report is made available for public inspection within thirty (30) days after completion of the audit. Audits performed under Subsection A of this Section 19 are subject to review and resolution by the Department or its authorized representative. The Contractor shall ensure the Audit Report submitted include either in the report or as part of the cover letter, auditor and contractor contact information, including contact person, mailing address, telephone, fax number and e-mail address. The Contractor shall ensure the Audit Report submitted also includes the submission of the CPA Management Letter if a Management Letter was issued to the Contractor by its CPA firm. Failure by the Contractor to submit a completed single audit package as described in the audit requirements by the required due date could affect funding for all existing contracts, eligibility to apply under the TxCDBG Program, and the issuance of new contracts for funding awards.

4. Notwithstanding the requirements after paragraphs "A-1 through 3" of this Section 20, the Contractor shall submit within 60 days after its fiscal year end an Audit Certification Form (ACF) or a similar statement. The Contractor shall submit an ACF to the Department annually as long as the Contractor has an open contract with the Department. The ACF or statement will include information indicating if the Contractor has or has not met the \$500,000 expenditure threshold that will require a Single Audit Report in accordance with the Uniform Grant Management Standards, Subpart C-Post Award Requirements, Section __26 Audit, item (d). If the Contractor did not exceed the threshold, the Contractor shall include with the ACF or statement, a list of all open Federal or State... (The Department's and all other funding agencies)... contracts providing financial assistance and the corresponding activity. Failure by the Contractor to submit an ACF or a similar statement or failure to submit a complete ACF or single audit package as described in the audit requirements by the required due date could affect funding for all existing contracts, eligibility to apply under the TxCDBG Program, and the issuance of new contracts for funding awards.

5. Pursuant to the Texas Administrative Code §5.167(c), "Chapter 2105, Texas Government Code, requires that all subrecipients of federal block grants be included under the provisions of the Uniform Grant and Contract Management Standards." The Uniform Grant and Contract Management Standards (UGMS) (D) sec. __.400 requires "Recipients who are required to have a single audit and receive state or federal awards for more than one state agency shall have a state single audit coordinating agency. The governor's office shall designate a state single audit coordinating agency based upon the state awarding agency that provides the predominant amount of direct funding to a recipient and other factors, as appropriate, to ensure equitable and manageable workloads." Further, it is the Contractor's responsibility to make this request to the governor's office pursuant to the Texas Administrative Code §5.167(c)(2), "To have a state single audit coordinating agency designated a recipient must submit a written request to the Governor's Budget and Planning Office, P.O. Box 12428, Austin, Texas 78711. This request must list the state agencies providing financial assistance with the grant amounts for the year to be audited and indicate that the governing body has authorized the initiation of the single audit."

B. Notwithstanding Subsection A of this Section 19, the Department reserves the right to conduct an annual financial and compliance review of funds received and performances rendered under this contract. The Contractor agrees to permit the Department or its authorized representative to audit the Contractor's records and to obtain any documents, materials, or information necessary to facilitate such review.

C. The Contractor understands and agrees that it shall be liable to the Department for any⁴² costs disallowed pursuant to financial and compliance audit(s) of funds received under this contract. The Contractor further understands and agrees that reimbursement to the Department of such disallowed costs shall be paid by the Contractor from funds which were not provided or otherwise made available to the Contractor under this contract.

D. The Contractor shall take such action to facilitate the performance of such audit or audits conducted pursuant to this Section 19 as the Department may require of the Contractor. Contractor shall establish written standard operating procedures and internal controls to include the timely procurement of a CPA firm to start and complete the year end single audit report if applicable, in order to comply with contractual and regulatory requirements. The Department shall not release any funds for any costs incurred by the Contractor under this contract until the Department has received a copy of any audit report required by this Section 19.

E. The Contractor shall procure audit services through an open, competitive process at least once every four years. The auditor shall retain working papers and reports for a minimum of three years after the date of issuance of the auditor's report to the auditee. Audit working papers shall be made available upon request to the Department at the completion of the audit, as a part of a quality review, to resolve audit findings, or to carry out oversight responsibilities consistent with the purposes of this part. Access to working papers includes the right to obtain copies of working papers, as is reasonable and necessary.

F. Contractor understands that acceptance of funds under this contract acts as acceptance of the authority of the State Auditor's Office, or any successor agency, to conduct an audit or investigation in connection with those funds. Contractor further agrees to cooperate fully with the State Auditor's Office or its successor in the conduct of the audit or investigation, including providing all records requested. Contractor will ensure that this clause concerning the authority to audit funds received indirectly by subcontractors through Contractor and the requirement to cooperate is included in any subcontract it awards.

SECTION 20. ENVIRONMENTAL CLEARANCE REQUIREMENTS

A. The Contractor understands and agrees that by the execution of this contract the Contractor shall assume the responsibilities for environmental review, decision making, and other action which would otherwise apply to the Department under Section 5304(f) of the Act, in accordance with and to the extent specified in 24 CFR Part 58. In accordance with Section 58.77(b) of such regulations, the Contractor further understands and agrees that the Contractor shall handle inquiries and complaints from persons and agencies seeking redress in relation to environmental reviews covered by approved certifications.

B. Funds provided under this contract may be obligated and expended before the actions specified in this Section occur only for the following eligible activities:

1. The payment of reasonable planning and administrative costs related to the project;
2. Environmental studies, including environmental clearance activities required by this Section; and
3. The payment or reimbursement of reasonable project engineering and design costs incurred for this project.

C. The Contractor shall prepare a written Environmental Assessment of its activities in accordance with 24 C.F.R. Part 58, Subpart E, and the TxCDBG Project Implementation Manual. The Contractor must then follow the steps specified in this subsection to ensure compliance with the National Environmental Policy Act (NEPA). When the Environmental Assessment is completed, the Contractor

must follow one of the following two (2) procedures. The first is a Finding of Significant Impact, in which the Request for Release of Funds for the project is an action which may significantly affect the quality of the human environment. If this is the case, the Contractor must then prepare an Environmental Impact Statement in accordance with Subpart F or Subpart G of 24 C.F.R. Part 58. The second and more common procedure must be followed for all projects not requiring an Environmental Impact Statement. The Contractor in this instance must publish, in the manner prescribed in 24 C.F.R. Sections 58.43 and 58.45, a combined legal notice in a single publication: A Finding of No Significant Impact (FONSI), and a Notice of Intent to Request Release of Funds (NOI/RROF). In the first part of this notice, the Contractor certifies that, as a result of the Environmental Assessment, the project is not an action which may or will significantly affect the quality of the human environment. The Contractor shall then provide the public with at least fifteen (15) calendar days to comment on this combined notice following its publication date, unless exceptional circumstances exist as specified in 24 C.F.R. Section 58.46. If no unresolved problems occur, the Contractor must then concurrently submit to the Department the following documents:

1. Request for Release of Funds and Certification (form HUD 7015.15);
2. Statutory Checklist (Covering 24 CFR Part 58.5) and HUD Compliance Documentation Checklist (Covering 24 CFR Part 58.6);
3. Published FONSI and NOI/RROF; and
4. Publisher's Affidavit (only needed if sending a photocopy of the publication and not an original full page of the newspaper with publication title and date.)

Upon receipt of such documents, the Department must allow a fifteen (15) calendar day comment period to expire before it can formally release any project funds which are subject to the environmental review regulations. The Contractor must comply with all other applicable environmental requirements as specified in Exhibit D of this contract. The Contractor shall document its compliance with such other requirements in its environmental review file. The environmental review file and source documentation must be maintained as part of the environmental review record.

SECTION 21. CITIZEN PARTICIPATION REQUIREMENTS

- A. The Contractor shall provide for and encourage citizen participation, particularly by low and moderate income persons who reside in slum or blighted areas and areas in which the funds provided under this contract are used, in accordance with Section 570.486 of the Regulations and this contract;
- B. The Contractor shall hold a public hearing concerning any activities proposed to be added, deleted, or substantially changed, as determined by the Department, from the activities specified in Exhibit A, Performance Statement, of this contract;
- C. Prior to the programmatic closure of this contract, the Contractor shall hold a public hearing to review its performance under this contract;
- D. For each public hearing scheduled and conducted by the Contractor under this section, the Contractor shall comply with the following requirements:
 1. Notice of each hearing shall be published in the non-legal section of a newspaper having general circulation in the Contractor's jurisdiction at least seventy-two (72) hours prior to each scheduled hearing. The published notice shall include the date, time, and location of each hearing and the topics to be considered at each hearing. The published notice shall be printed in both English and Spanish, if appropriate. The Department shall accept articles published in such newspapers which satisfy the content and timing requirements of this subsection. In addition, the

Contractor shall prominently post such notices in public buildings and distributed to interested community groups.

2. If any substantial changes are being requested concerning the activities included in this contract, the public hearings shall be held after 5 p.m. on a weekday or on a Saturday or Sunday. The hearings must be conducted at a location convenient to potential or actual beneficiaries, with accommodation for the handicapped.

3. When a significant number of non-English speaking residents can reasonably be expected to participate in a public hearing, the Contractor shall provide an interpreter to accommodate the needs of the non-English speaking residents.

E. Notwithstanding the provisions of Section 7 of this contract, the Contractor shall retain documentation of the public hearing notices, a list of the attendees at each hearing, and minutes of each hearing held in accordance with this section for a period of three (3) years after the termination of this contract. The Contractor shall make such records available to the public in accordance with TEX. GOVT. CODE ANN. Chapter 552.

F. Complaint Procedures. The Contractor shall maintain written citizen complaint procedures that provide a timely written response to complaints and grievances. Such procedures shall comply with the Department's requirements. The Contractor shall ensure that its citizens are aware of the location and hours at which they may obtain a copy of the written procedures and the address and phone number for submitting complaints.

SECTION 22. SPECIAL CONDITIONS

A. The Department shall not release any funds for any costs incurred by the Contractor under this contract until the Department has received a copy of the Contractor's previous fiscal year audit report or certification from the Contractor that its fiscal control and fund accounting procedures are adequate to assure the proper disbursement of and accounting for funds provided under this contract. The Department shall specify the content and form of such certification.

B. The Department shall not be liable to the Contractor for any costs incurred by the Contractor under this contract until the Department receives a properly completed Depository/Authorized Signators Form, as specified by the Department, from the Contractor.

C. The Contractor shall not advertise or solicit bids for construction or rehabilitation of a project assisted with funds provided under this contract until the Contractor has received the applicable prevailing wage rates from the Department.

D. In accordance with Section 18 of this contract, this contract shall terminate six (6) months after the commencement date specified in Section 2 unless activities specified in Section 20 or listed under Section 22 funded under this contract have begun by such date.

E. Public buildings, facilities, centers, constructed with Texas Department of Rural Affairs (TDRA) Community Development Block Grant (CDBG) assistance shall have permanent signage placed in a prominent visible public area with the wording provided below. The formatting of such signage will be at local discretion to best fit the architectural design of the facility constructed but should be legible from at least three feet distance.

Other construction projects, e.g., water transmission lines, sewer collection lines, drainage, roadways, housing rehabilitation, etc. utilizing TDRA CDBG funding shall have temporary signage erected in a prominent location at the construction project site or along a major thoroughfare within the locality as directed by the owner.

"This project is funded by the Texas Department of Rural Affairs of the State of Texas, to strengthen and enhance the quality of life in smaller and rural communities with funds allocated by the United States Department of Housing and Urban Development through the Community Development Block Grant Program."

F. The Department shall not be liable for costs incurred or performances rendered by the Contractor before commencement of this contract or after termination of this contract, unless (a) the costs are specifically identified in Exhibit A, Performance Statement and Exhibit B, Budget, of this contract, (b) the costs incurred by the Contractor were for otherwise allowable pre-agreement program costs that were incurred on or after April 16, 2010 and (c) the Contractor complied with all the Department's requirements applicable to Texas CDBG grants, including all applicable state and federal laws, such as procurement procedures, applicable environmental, labor, civil rights and acquisition requirements, all provisions of this contract, and all applicable Texas CDBG policies and procedures.

G. If the contract ends without any project beneficiaries resulting from the use of contract funds, the Contractor shall be required to reimburse to the Department all contract funds disbursed previously, including but not limited to funds disbursed for administration and engineering services. The Contractor shall be required to repay the funds within 60 days after the receipt of notice by the Department to the Contractor that funds must be repaid.

H. The Department will consider an extension of the term of the contract only if the Contractor has requested funds under this contract, in accordance with applicable requirements, from the Department by the end date of the original contract period for activities in Budget categories 1 through 29 as shown in Exhibit B in an aggregate amount of five percent (5%) of the contract funds in Budget categories 1 through 29. The Department may allow an extension without receipt of a request in the amount of at least 5 percent as specified in this paragraph if the project involves construction being financed by another state or federal entity that must occur prior to initiation of construction or other project activities financed with Department funds under this contract.

I. Prior to the Department's release of funds for the construction of the water system improvements described in Exhibit A, Performance Statement, of this contract, the Contractor shall provide certification to the Department that plans, specifications, and related documents for its water system improvements have been prepared by a registered professional engineer and that the review of such plans, specifications, and related documents meet the applicable Texas Commission on Environmental Quality review requirements described in Title 30 of the Texas Administrative Code, Chapter 290 (30 TAC 290.39).

J. PROJECT MAPPING/DESIGN INFORMATION AND COPYRIGHT

1. The Contractor shall receive and maintain a copy of the final project record drawing(s) engineering schematic(s), as constructed using funds under this contract. These maps shall be provided in digital format containing the source map data (original vector data) and the graphic data in files on machine readable media, such as compact disc (CD), which are compatible with computer systems owned or readily available to the Contractor. The digital copy provided shall not include a digital representation of the engineer's seal but the accompanying documentation from the engineer shall include a signed statement of when the map was authorized, that the digital map is a true representation of the original sealed document, and that a printed version with the seal has been provided to the Contractor. In addition, complete documentation as to the content and layout of the data files and the name of the software package(s) used to generate the data and maps shall be received and maintained by Contractor in written form. The Contractor shall provide the Department upon request a copy of all the electronic files and other data received, including the original vector data, and all documentation in electronic format, on a CD or other media in a file format determined by the Department. If requested by the Department, the

Contractor shall ensure that the CD copy of all the electronic files and other data provided⁴⁶ to the Department are properly identified. Specifically, the CD label shall show the Contractor's name, the Department's assigned contract number, the contents of CD, the preparer's name, and the name of the software package(s) used to generate the maps on the CD.

2. Where activities supported by this contract produce copyrightable material, the Contractor shall not assert any rights at common law or in equity or establish any claim to statutory copyright in such material without the Department's prior written approval. The Department reserves a royalty-free, nonexclusive, and irrevocable license to copy, produce, publish, and use such material, and to authorize others to do so.

3. Provisions appropriate to effectuate the purposes of this subsection must be in all employment contracts, consultant contracts, including engineering consultant contracts, and other contracts or agreements in which funds received by the Contractor under this contract are involved.

SECTION 23. DEBARMENT

A. By signing this contract, the Contractor certifies that it will not award any funds provided under this contract to any party which is debarred, suspended or otherwise excluded from or ineligible for participation in federal assistance programs under Executive Order 12549 and 24 CFR Part 24. The Contractor shall receive the certification provided by the Department from each proposed subcontractor under this contract and its principals.

B. By signing this contract, the Contractor certifies that it is not debarred, suspended or otherwise excluded from or ineligible for participation in federal assistance programs under Executive Order 12549 and 24 CFR Part 24. Further, the Contractor is required to immediately report to the Department if it is debarred, suspended or otherwise excluded from or ineligible for participation in federal assistance programs under Executive Order 12549 and 24 CFR Part 24.

SECTION 24. POLITICAL AID AND LEGISLATIVE INFLUENCE PROHIBITED

A. None of the funds provided under this contract shall be used for influencing the outcome of any election, or the passage or defeat of any legislative measure. This prohibition shall not be construed to prevent any official or employee of the Contractor from furnishing to any member of its governing body upon request, or to any other local or state official or employee or to any citizen information in the hands of the employee or official not considered under law to be confidential information. Any action taken against an employee or official for supplying such information shall subject the person initiating the action to immediate dismissal from employment.

B. No funds provided under this contract may be used directly or indirectly to hire employees or in any other way fund or support candidates for the legislative, executive, or judicial branches of government of the Contractor, the State of Texas, or the government of the United States.

SECTION 25. FRAUD, ABUSE, AND MISMANAGEMENT

The Contractor must take steps, as directed by the Department, to avoid or mitigate occurrences of fraud, abuse, and mismanagement especially with respect to the financial management of this contract and procurements made under this contract. Upon the discovery of such alleged or suspected fraud, the Contractor shall immediately notify the Department and appropriate law enforcement authorities, if necessary, of the theft of any assets provided for under this contract, malfeasance, abuse of power or authority, kickbacks, or the embezzlement or loss of any funds under this contract.

A. All oral and written agreements between the parties to this contract relating to the subject matter of this contract that were made prior to the execution of this contract have been reduced to writing and are contained in this contract.

B. The attachments enumerated and denominated below are hereby made a part of this contract, and constitute promised performances by the Contractor in accordance with Section 3 of this contract:

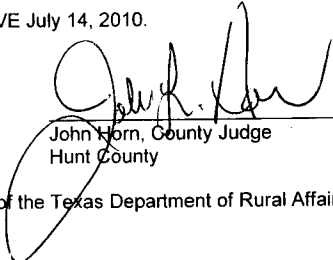
1. Exhibit A, Performance Statement, 2 Pages
2. Exhibit B, Budget, 2 Pages
3. Exhibit C, Project Implementation Schedule, 1 Page
4. Exhibit D, Applicable Laws and Regulations, 3 Pages
5. Exhibit E, Certifications, 2 Pages

SECTION 27.

VENUE

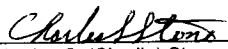
For purposes of litigation pursuant to this contract, venue shall lie in Travis County, Texas.

WITNESS OUR HANDS EFFECTIVE July 14, 2010.



John Horn, County Judge
Hunt County

Approved and accepted on behalf of the Texas Department of Rural Affairs.



Charles S. (Charlie) Stone, Executive Director
Texas Department of Rural Affairs

This contract is not effective unless signed by the Executive Director of the Texas Department of Rural Affairs or by the Executive Director's authorized designee.

CONTRACT NO. 710016

PERFORMANCE STATEMENT

Hunt County

Contractor shall carry out the following activities in the target area identified in its 2010 Texas Small Towns Environment Program (STEP) application. Project activities using contract funds shall be undertaken by Contractor using Texas STEP self-help methods approved by Office. The STEP threshold requirement of achieving a minimum of forty percent (40%) savings off the retail price of the project construction activities as certified in the application shall be maintained throughout the project. The persons to benefit from the activities described in this Performance Statement must be receiving service or a benefit from the use of the new or improved facilities and activities for the contract obligations to be fulfilled. The Contractor shall ensure that the amount of funds expended for each activity described does not exceed the amount specified for such activity in Exhibit B, Budget.

Water Facilities

Volunteers in conjunction with the Hickory Creek Specialty Utility District (SUD) shall replace aged and undersized water lines to address pressure and water loss concerns through the installation of approximately thirteen thousand nine hundred linear feet (13,900 l.f.) of four-inch (4") and eight-inch (8") water line, replacement of thirty-eight (38) water meters, two (2) fire hydrants, road boring and all necessary appurtenances.

Contract labor shall be utilized for completion of specialized work including road boring and encasement, tapping sleeves and pressure/bacteriological testing. In addition, equipment rental shall be utilized for this project. Equipment rental for use on this project may take place on an hourly basis for actual project time if documented as required and approved by the Department. The Hickory Creek SUD and local volunteers have also affirmed the use of their equipment (trackhoe, tractors, trucks and trailers) to complete this project. Construction shall take place in the following locations:

Location:	From:	To:
FM 1566	SH 34	PR 4420
FM 1566	East of CR 4415	FM 118
FM 118	FM 1566	800 ft. south of FM 1566

These activities shall benefit one hundred eight (108) persons, of which sixty-four (64) or fifty-nine percent (59%) are of low to moderate income.

Acquisition

Contractor shall acquire easements needed for the water line installation along FM 1566 and FM 118. Contractor shall carry out all acquisition of needed real property, easements, and/or rights-of-way in compliance with the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (42 U.S.C. Sec. 4601 et. seq.) and HUD implementing regulations (24 C.F.R. Part 42).

Engineering

Contractor shall ensure that the amount of the Department funds expended for all eligible project-related engineering services, including preliminary and final design plans and specifications, all interim and

final inspections, and all special services does not exceed the amount specified for engineering in Exhibit B, Budget.

Administration

Contractor shall ensure that the amount of Department funds expended for all eligible project-related administration activities, including the required annual program compliance and fiscal audit does not exceed the amount specified for administration in Exhibit B, Budget.

EXHIBIT B
BUDGET
CONTRACT NUMBER 710016
Hunt County

<u>LINE</u>	<u>CATEGORIES</u>	<u>CONTRACT FUNDS</u>	<u>OTHER FUNDS</u>	<u>TOTAL</u>
1a.	Water Facilities	\$ 164,960	\$ -0-	\$ 164,960
1b.	Sewer Facilities	\$	\$	\$
2.	Solid Waste Disposal Facilities	\$	\$	\$
3.	Other Public Utilities (Gas)	\$	\$	\$
4.	Street Improvements	\$	\$	\$
5.	Flood and Drainage Facilities	\$	\$	\$
6.	Neighborhood Facilities/ Community Centers	\$	\$	\$
7.	Senior Centers	\$	\$	\$
8.	Centers for the Handicapped/ Sheltered Workshops	\$	\$	\$
9.	Parks, Playgrounds, and Other Recreational Facilities	\$	\$	\$
10.	Fire Protections Facilities and Equipment	\$	\$	\$
11.	Parking Facilities	\$	\$	\$
12.	Pedestrian Malls and Walkways	\$	\$	\$
13.	Specially Authorized Assistance to Privately Owned Utilities	\$	\$	\$
14.	Specially Authorized Public Facilities and Improvements	\$	\$	\$
15.	Public Services (LIMITED TO 15% OF REQUEST)	\$	\$	\$
16.	Interim Assistance	\$	\$	\$

<u>LINE</u>	<u>CATEGORIES</u>	<u>CONTRACT FUNDS</u>	<u>OTHER FUNDS</u>	<u>TOTAL</u>
17.	Rehabilitation of Private Properties	\$	\$	\$
17a.	Rehabilitation of Private Properties (water service)	\$	\$	\$
17b.	Rehabilitation of Private Properties (sewer service)	\$	\$	\$
18.	Rehabilitation of Public Residential Structures	\$	\$	\$
19.	Public Housing Modernization	\$	\$	\$
20.	Clearance Demolition Activities	\$	\$	\$
21.	Historic Preservation	\$	\$	\$
22.	Removal of Architectural Barriers	\$	\$	\$
23.	Code Enforcement	\$	\$	\$
24.	Acquisition	\$ 2,000	\$ -0-	\$ 2,000
25.	Relocation Payments & Assistance	\$	\$	\$
26.	Economic Development Loan	\$	\$	\$
27.	Economic Devel. Interest Subsidy	\$	\$	\$
28.	Economic Devel. Loan Guarantee	\$	\$	\$
29.	Special Activities by Local Devel Corporations, Etc.	\$	\$	\$
30.	Engineering/Architectural Serv. (Total for all construction accounts)	\$ 30,000	\$ -0-	\$ 30,000
31.	Planning & Urban Env. Design (NOT TO EXCEED 16%)	\$	\$	\$
32.	General Administration	\$ 25,000	\$ -0-	\$ 25,000
	TOTALS	\$ 221,960	\$ -0-	\$ 221,960

EXHIBIT C

PROJECT IMPLEMENTATION SCHEDULE

CONTRACT NUMBER 710016

Hunt County

Activity	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	
Procurement of Professional Services Completed	X																								
Plans and Specifications Completed				X																					
Plans and Specifications Submitted for Approval				X																					
Environmental Review Completed				X																					
Clearance of Special Conditions							X																		
Wage Rate Request/Decision/10-Day Call							X																		
Big Advertisement / Construction Contract Awarded								X																	
Construction - 50% TxCDBG project complete													X												
Construction - 50% TxCDBG funds requested from Department														X											
Construction - 75% TxCDBG project complete															X										
Construction - 75% TxCDBG funds requested from Department																X									
Construction - 90% TxCDBG project complete																	X								
Construction - 90% TxCDBG funds requested from Department																		X							
Final Inspections Completed																			X						
General Administration																								X	
Close-out documents submitted to Department																								X	

CONTRACT START DATE

CONTRACT ENDING DATE

July 14, 2010

July 13, 2012

EXHIBIT D**THE APPLICABLE LAWS AND REGULATIONS**

The Contractor shall comply with the Act and Regulations specified in Section 3 of this contract and with the OMB Circular and federal regulations specified in Section 6 of this contract; Cash Management Improvement Act regulations (31 C.F.R. Part 205); and with all other federal, state, and local laws and regulations applicable to the activities and performances rendered by the Contractor under this contract including but not limited to the laws, and the regulations promulgated thereunder specified in Section I through VII of this Exhibit D.

I. CIVIL RIGHTS

Title VI of the Civil Rights Act of 1964, (42 U.S.C. Section 2000d et seq.); 24 C.F.R. Part I, "Nondiscrimination in Federally Assisted Programs of the Department of Housing and Urban Development - Effectuation of Title VI of the Civil Rights Act of 1964";

Title VIII of the Civil Rights Act of 1968, "The Fair Housing Act of 1968" (42 U.S.C. Sec 3601 et seq.), as amended;

Executive Order 11063, as amended by Executive Order 12259, and 24 C. F.R. Part 107, "Nondiscrimination and Equal Opportunity in Housing under Executive Order 11063". The failure or refusal of the Contractor to comply with the requirements of Executive Order 11063 or 24 C.F.R. Part 107 shall be a proper basis for the imposition of sanctions specified in 24 C.F.R. 107.60;

The Age Discrimination Act of 1975 (42 U.S.C. Sec. 6101 et seq.);

Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. Sec. 794.) and "Nondiscrimination Based on Handicap in Federally-Assisted Programs and Activities of the Department of Housing and Urban Development", 24 C.F.R. Part 8. By signing this contract, the Contractor understands and agrees that the activities funded shall be operated in accordance with 24 C.F.R. Part 8; and the Architectural Barriers Act of 1968 (42 U.S.C. Sec. 4151 et seq.), including the use of a telecommunications device for deaf persons (TDDs) or equally effective communication system.

II. LABOR STANDARDS

The Davis-Bacon Act, as amended (40 U.S.C. Secs. 276a - 276a-5);

The Contract Work Hours & Safety Standards Act (40 U.S.C. 327 et seq.);

The Copeland "Anti-Kickback" Act (18 U.S.C. Sec. 874).

III. EMPLOYMENT OPPORTUNITIES

Section 3 of the Housing and Urban Development Act of 1968 (12 U.S.C. Sec.1701u).

IV. LEAD-BASED PAINT

Section 302 of the Lead-Based Paint Poisoning Prevention Act (42 U.S.C. Sec. 4831(b)) and the procedures established by the Department thereunder.

V. ENVIRONMENTAL LAW AND AUTHORITIES

Environmental Review Procedures for Recipients assuming HUD Environmental Responsibilities, 24 CFR Part 58, as amended.

In accordance with the provisions of law cited in §58.1(b), the responsible entity must assume the environmental responsibilities for projects under programs cited in §58.1(b), and in doing so must comply with the provisions of the National Environmental Policy Act of 1969, as amended and the Council on Environmental Quality regulations contained in 40 CFR parts 1500 through 1508. This includes responsibility for compliance with the applicable provisions and requirements of the Federal laws and authorities specified in §58.5 [below]. The responsible entity must certify that it has complied with the requirements that would apply to HUD under these laws and authorities and must consider the criteria, standards, policies and regulations of these laws and authorities.

(a) Historic Properties

- (1) The National Historic Preservation Act of 1966 as amended (16 U.S.C. 470 *et seq.*), particularly sections 106 and 110 (16 U.S.C. 470 and 470h-2), except as provided in §58.17 for Section 17 projects.
- (2) Executive Order 11593, Protection and Enhancement of the Cultural Environment, May 13, 1971 (36 FR 8921),
- (3) Federal historic preservation regulations as follows: 36 CFR part 800 with respect to HUD programs.
- (4) The Reservoir Salvage Act of 1960 as amended by the Archeological and Historic Preservation Act of 1974 (16 U.S.C. 469 *et seq.*), particularly section 3 (16 U.S.C. 469a-1).

(b) Floodplain management and wetland protection

- (1) Executive Order 11988, Floodplain Management, May 24, 1977 (42 FR 26951), as interpreted in HUD regulations at 24 CFR part 55, particularly section 2(a) of the order (For an explanation of the relationship between the decision-making process in 24 CFR part 55 and Part 58, see §55.10 of this subtitle A.)
- (2) Executive Order 11990, Protection of Wetlands, May 24, 1977 (42 FR 26961),

(c) Coastal Zone Management

- (1) The Coastal Zone Management Act of 1972 (16 U.S.C. 1451 *et seq.*), as amended, particularly sections 307(c) and (d) (16 U.S.C. 1456(c) and (d)).

(d) Sole source aquifers

- (1) The Safe Drinking Water Act of 1974 (42 U.S.C. 201, 300f *et seq.*, and 21 U.S.C. 349) as amended; particularly section 1424(e)(42 U.S.C. 300h-3(e)).
- (2) Sole Source Aquifers (Environmental Protection Agency-40 CFR part 149.)

(e) Endangered species

- (1) The Endangered Species Act of 1973 (16 U.S.C. 1531 *et seq.*) as amended, particularly section 7 (16 U.S.C. 1536)

(f) Wild and scenic rivers

- (1) The Wild and Scenic Rivers Act of 1968 (16 U.S.C. 1271 *et seq.*) as amended, particularly sections 7(b) and (c) (16 U.S.C. 1278(b) and (c)).

(g) Air quality

- (1) The Clean Air Act (42 U.S.C. 7401 *et seq.*) as amended, particularly sections 176(c) and (d) (42 U.S.C. 7506(c) and (d)).
- (2) Determining Conformity of Federal Actions to State or Federal Implementation Plans (Environmental Protection Agency-40 CFR parts 6, 51, and 93).

(h) Farmland protection

- (1) Farmland Protection Policy Act of 1981 (7 U.S.C. 4201 *et seq.*) particularly sections 1540(b) and 1541 (7 U.S.C. 4201(b) and 4202).
- (2) Farmland Protection Policy (Department of Agriculture-7 CFR part 658).

(i) HUD environmental standards

- (1) Applicable criteria and standards specified in HUD environmental regulations (24 CFR part 51) other than the runway clear zone and clear zone notification requirement in 24 CFR 51.303(a)(3).
- (2) HUD Notice 79-33, Policy Guidance to Address the Problems Posed by Toxic Chemicals and Radioactive Materials, September 10, 1979. All properties that are being proposed for use must be free of hazardous materials, contamination, toxic chemicals and gases, and radioactive substances, where a hazard could affect the health and safety of occupants or conflict with the intended utilization of the property. The environmental review of non-residential property, (or multi-family housing with five or more dwelling units, including leasing) must include the evaluation of previous uses of the site or other evidence of contamination on or near the site, to ensure that the occupants of proposed sites are not adversely affected by any hazards. Particular attention must be given to any proposed site on or in the general proximity of such areas as dumps, landfills, industrial sites, or other locations that contain, or may have contained, hazardous wastes. The Contractor shall use current techniques by qualified professionals to undertake investigations determined necessary.

(j) Environmental justice

- (1) Executive Order 12898 of February 11, 1994 --- Federal Actions to Address Environmental Justice in Minority Populations and Low-Income Populations, (59 FR 7629).

(k) Other requirements - See 24 CFR Part 58.6.VI. ACQUISITION/RELOCATION

The Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (42 U.S.C. Sec. 4601 *et seq.*), 24 C.F.R. Part 42, and 24 C.F.R. Section 570.606.

VII. FAITH-BASED ACTIVITIES

Executive Order 13279 of December 12, 2002 - Equal Protection of the Laws for Faith-Based and Community Organizations, (67 FR 77141).

EXHIBIT E
CERTIFICATIONS

WITH RESPECT TO THE EXPENDITURE OF FUNDS PROVIDED UNDER THIS CONTRACT BY Hunt County, THAT;

- (1) IT WILL MINIMIZE DISPLACEMENT OF PERSONS AS A RESULT OF ACTIVITIES ASSISTED WITH SUCH FUNDS;
- (2) THE PROGRAM WILL BE CONDUCTED AND ADMINISTERED IN CONFORMITY WITH THE CIVIL RIGHTS ACT OF 1964 (42 U.S.C. SEC. 2000a et seq.) AND THE FAIR HOUSING ACT (42 U.S.C. SEC 3901 et seq.), AND THAT IT WILL AFFIRMATIVELY FURTHER FAIR HOUSING, AS SPECIFIED BY THE DEPARTMENT;
- (3) IT WILL PROVIDE FOR OPPORTUNITIES FOR CITIZEN PARTICIPATION, HEARINGS AND ACCESS TO INFORMATION WITH RESPECT TO ITS COMMUNITY DEVELOPMENT PROGRAMS, AS SPECIFIED BY THE DEPARTMENT;
- (4) IT WILL NOT ATTEMPT TO RECOVER ANY CAPITAL COSTS OF PUBLIC IMPROVEMENTS ASSISTED IN WHOLE OR IN PART WITH SUCH FUNDS BY ASSESSING ANY AMOUNT AGAINST PROPERTIES OWNED AND OCCUPIED BY PERSONS OF LOW AND MODERATE INCOME, INCLUDING ANY FEE CHARGED OR ASSESSMENT MADE AS A CONDITION OF OBTAINING ACCESS TO SUCH PUBLIC IMPROVEMENTS UNLESS (A) SUCH FUNDS ARE USED TO PAY THE PROPORTION OF SUCH FEE OR ASSESSMENT THAT RELATED TO THE CAPITAL COSTS OF SUCH PUBLIC IMPROVEMENTS THAT ARE FINANCED FROM REVENUE SOURCES OTHER THAN SUCH FUNDS; OR (B) FOR PURPOSES OF ASSESSING ANY AMOUNT AGAINST PROPERTIES OWNED AND OCCUPIED BY PERSONS OF MODERATE INCOME, THE CONTRACTOR CERTIFIES THAT IT LACKS SUFFICIENT FUNDS UNDER THIS CONTRACT TO COMPLY WITH THE REQUIREMENTS OF CLAUSE (A).
- (5) IN THE EVENT THAT DISPLACEMENT OF RESIDENTIAL DWELLINGS WILL OCCUR IN CONNECTION WITH A PROJECT ASSISTED WITH TCDP FUNDS, IT WILL FOLLOW A RESIDENTIAL ANTIDISPLACEMENT AND RELOCATION ASSISTANCE PLAN, AS SPECIFIED BY THE DEPARTMENT.
- (6) IT SHALL ADOPT AND ENFORCE A POLICY PROHIBITING THE USE OF EXCESSIVE FORCE BY LAW ENFORCEMENT AGENCIES WITHIN ITS JURISDICTION AGAINST ANY INDIVIDUAL ENGAGED IN NONVIOLENT CIVIL RIGHTS DEMONSTRATIONS AND A POLICY OF ENFORCING APPLICABLE STATE AND LOCAL LAWS AGAINST PHYSICALLY BARRING ENTRANCE TO OR EXIT FROM A FACILITY OR LOCATION WHICH IS THE SUBJECT OF SUCH NONVIOLENT CIVIL RIGHTS DEMONSTRATION WITHIN ITS JURISDICTION.

**CERTIFICATION REGARDING LOBBYING FOR
CONTRACTS, GRANTS, LOANS, AND COOPERATIVE AGREEMENTS**

Hunt County

CERTIFIES, TO THE BEST OF ITS KNOWLEDGE AND BELIEF, THAT:

(1) NO FEDERAL APPROPRIATED FUNDS HAVE BEEN PAID OR WILL BE PAID, BY OR ON BEHALF OF THE UNDERSIGNED, TO ANY PERSON FOR INFLUENCING OR ATTEMPTING TO INFLUENCE AN OFFICER OR EMPLOYEE OF AN 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.

(2) 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 THIS FEDERAL CONTRACT, GRANT, LOAN, OR COOPERATIVE AGREEMENT, THE UNDERSIGNED SHALL COMPLETE AND SUBMIT STANDARD FORM - LLL, "DISCLOSURE FORM TO REPORT LOBBYING", IN ACCORDANCE WITH ITS INSTRUCTIONS.

(3) THE UNDERSIGNED 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.

THIS CERTIFICATION IS A MATERIAL REPRESENTATION OF FACT WHICH RELIANCE WAS PLACED WHEN THIS TRANSACTION WAS MADE OR ENTERED INTO. SUBMISSION OF THIS CERTIFICATION IS A PREREQUISITE FOR MAKING OR ENTERING INTO THIS TRANSACTION IMPOSED BY SECTION 1352, TITLE 31, U.S. CODE. ANY PERSON WHO FAILS TO 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.

PLEASE COMPLETE / SIGN AND RETURN ONE COPY WITH CONTRACT

Certification of Exemption for HUD funded projects

Determination of activities listed at 24 CFR 58.34(a)
May be subject to provisions of Sec 58.6, as applicable

Grant Recipient: _____ Project Name: _____
Project Description (Include all actions which are either geographically or functionally related):

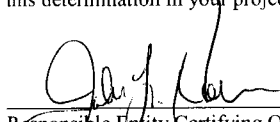
Location: _____
Funding Source: CDBG HOME EDI Other: _____
Funding Amount: _____ Grant Number: _____

I hereby certify that the abovementioned project has been reviewed and determined an Exempt activity per 24 CFR 58.34(a) as follows:

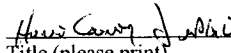
	1. Environmental & other studies, resource identification & the development of plans & strategies;
	2. Information and financial services;
XX	3. Administrative and management activities;
	4. Public services that will not have a physical impact or result in any physical changes, including but not limited to services concerned with employment, crime prevention, child care, health, drug abuse, education, counseling, energy conservation and welfare or recreational needs;
	5. Inspections and testing of properties for hazards or defects;
	6. Purchase of insurance;
	7. Purchase of tools;
XX	8. Engineering or design costs;
	9. Technical assistance and training;
	10. Assistance for temporary or permanent improvements that do not alter environmental conditions and are limited to protection, repair, or restoration activities necessary only to control or arrest the effects from disasters or imminent threats to public safety including those resulting from physical deterioration;
	11. Payment of principal and interest on loans made or obligations guaranteed by HUD;
	12. Any of the categorical exclusions listed in Sec. 58.35(a) provided that there are no circumstances that require compliance with any other Federal laws and authorities cited in Sec. 58.5.

If your project falls into any of the above categories, no Request for Release of Funds (RROF) is required, and no further environmental approval from HUD will be needed by the recipient for the draw-down of funds to carry out exempt activities and projects. The responsible entity must maintain this document as a written record of the environmental review undertaken under this part for each project.

By signing below the Responsible Entity certifies in writing that each activity or project is exempt and meets the conditions specified for such exemption under section 24 CFR 58.34(a). Please keep a copy of this determination in your project files.



Responsible Entity Certifying Official Name



Title (please print)

Responsible Entity Certifying Official Signature

5, Aug 2010

Date

PLEASE COMPLETE / SIGN AND RETURN ONE COPY WITH CONTRACT

PLEASE COMPLETE / SIGN AND RETURN ONE COPY WITH CONTRACT
Compliance Documentation Checklist
24 CFR 58.6

Grant Recipient: _____ Project Name: _____
Project Description (Include all actions which are either geographically or functionally related): _____

Level of Environmental Review Determination: _____

Select One: (1) Exempt per 24 CFR 58.34, or (2) Categorically Excluded not subject to statutes per § 58.35(b), or (3) Categorically Excluded subject to statutes per § 58.35(a), or (4) Environmental Assessment per § 58.36, or (5) EIS per 40 CFR 1500

STATUTES and REGULATIONS listed at 24 CFR 58.6

FLOOD DISASTER PROTECTION ACT

1. Does the project involve acquisition, construction or rehabilitation of structures located in a FEMA-identified Special Flood Hazard?

No; Cite Source Document: _____

Yes; Source Document: _____

2. Is the community participating in the National Insurance Program (or has less than one year passed since FEMA notification of Special Flood Hazards)?

Yes (Flood Insurance under the National Flood Insurance Program must be obtained and maintained for the economic life of the project, in the amount of the total project cost. A copy of the flood insurance policy declaration must be kept on file). (**Appendix I**)

No (**Federal assistance may not be used in the Special Flood Hazards Area**).

COASTAL BARRIERS RESOURCES ACT

1. Is the project located in a coastal barrier resource area?

No; Cite Source Documentation: _____

(This element is completed).

Yes - **Federal assistance may not be used in such an area.**

AIRPORT RUNWAY CLEAR ZONES AND CLEAR ZONES DISCLOSURES

1. Does the project involve the sale or acquisition of existing property within a Civil Airport's Runway Clear Zone or a Military Installation's Clear Zone?

No; Source Documentation: _____

Project complies with 24 CFR 51.303(a)(3).

Yes; **Disclosure statement must be provided** to buyer and a copy of the signed disclosure must be maintained in this Environmental Review Record (**Appendix II**)

Prepared by (name and title, please print): _____

Signature: _____

Date: _____

24 CFR 58.6 - ERR Document

12/08 HUD Region VI

PLEASE COMPLETE / SIGN AND RETURN ONE COPY WITH CONTRACT

COMMISSIONERS COURT OF HUNT COUNTY, TEXAS

RESOLUTION # 11,623

60
10 AUG - 9 AM 11:46
FILED FOR RECORD
LINDA A. BROOKS
CLERK OF COUNTY CLERK
DEPT. OF TRANSPORTATION

A RESOLUTION OF THE COMMISSIONERS COURT OF HUNT COUNTY TEXAS IN SUPPORT OF THE APPLICATION OF THE TEXAS DEPARTMENT OF TRANSPORTATION ("TXDOT") FOR A GRANT OF \$14.8 MILLION FOR THE REHABILITATION OF THE RAIL LINE OWNED BY NORTHEAST TEXAS RURAL RAIL TRANSPORTATION DISTRICT ("NETEX") IN THE COUNTIES OF TITUS, FRANKLIN, DELTA, HOPKINS, AND HUNT, TEXAS.

WHEREAS, The line of railroad owned by NETEX and the State of Texas provides vital transportation services to the farmers, businesses, and citizens of Hunt County, a rural county in a depressed area, and upon which over 1,000 jobs directly depend; and,

WHEREAS, It has been established by TXDOT that this rail line suffers from serious deferred maintenance accumulated prior to the engagement of the current operator, Blacklands Railroad; and,

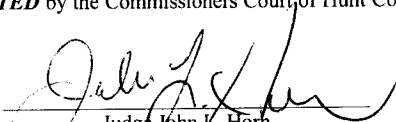
WHEREAS, TXDOT and NETEX agree that without substantial rehabilitation, the NETEX line is in danger of closure with disastrous effect on the citizens and businesses of the County; and,

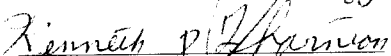
WHEREAS, TXDOT, acting through its governing Commission has identified rehabilitation of the NETEX line as a State priority and has prepared an Application under the provisions of the TIGER II grant program for a grant of \$14.8 million.

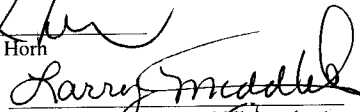
NOW, THEREFORE, BE IT RESOLVED BY THE COMMISSIONERS COURT OF HUNT COUNTY THAT WE URGE AND PRAY THAT THE FEDERAL RAILROAD ADMINISTRATION ACT FAVORABLY AND APPROVE THIS TIGER II GRANT APPLICATION IN THE AMOUNT OF \$14.8 MILLION OR SUCH OTHER AMOUNT AS THE FRA MAY SEE FIT FOR REHABILITATION OF SAID NETEX RAIL LINE, and:

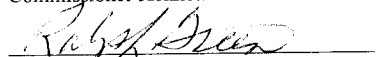
- (1) That this Resolution is hereby adopted and shall be in full force and effective immediately upon its passage and approval and,
- (2) That the officers of the County are instructed to provide true copies of this Resolution to all elected officials, TXDOT, and the Federal Railroad Administration and its Administrator, Joseph Szabo.

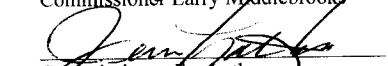
APPROVED AND ADOPTED by the Commissioners Court, of Hunt County, Texas, this 9th day of August, 2010.

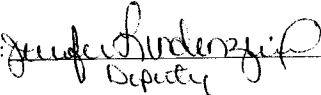

Judge John L. Horn


Commissioner Kenneth Thornton

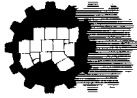

Commissioner Larry Middlebrooks


Commissioner Ralph Green


Commissioner Jim Latham

Attest:  Deputy, County Clerk





North Central Texas Council Of Governments

11, 624

**CONTRACT AMENDMENT ONE
BETWEEN THE
NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS AND
HUNT COUNTY
FOR CITIES READINESS INITIATIVE (CRI) PROJECT IMPLEMENTATION**

62
FILED FOR RECORD
at 10:15 a.m. - 10:16 a.m.
10 August - 9
By County Clerk
LINDA FLORES
B. County Clerk

This Amendment ("Amendment 1") to the original Cities Readiness Initiative contract, signed on July 29, 2009, attached hereto is entered into between the NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS and HUNT COUNTY for the purposes of changing the terms of Article 5: Financial and Article 11: Effective Date and Term of Contract. For good and valuable consideration, whether or not recited herein, the Parties hereby agree to restate Article 5 and 11 of the original contract in its entirety as follows:

Article 5: Financial

- 5.1 The total funding amount of this contract now covers two years and shall not exceed \$49,384.62 for FY2010 and FY2011 performance periods. Please find the amended FY2010 budget performance period attached.
- 5.2 NCTCOG shall develop a work plan to meet Local Government needs for the establishment and operation of CRI service throughout the region served, according to standards established and approved by the DSHS.
- 5.3 The provisioning of CRI service throughout the region shall be funded by CRI funds, based upon state allocations.
- 5.4 Provide NCTCOG with budgets, monthly reports of finance as mandated in work plan in Attachment A of original contract.
- 5.5 Allowable and disallowed expenditures shall be determined by the appropriations, rules, policies and procedures as established by the DSHS, and as provided for the Local Government in NCTCOG's approved work plan and UGMS.

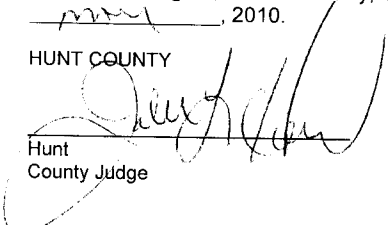
Article 11: Effective Date and Term of Contract

11.1 The performance period of this contract has been extended one year and is now August 1, 2009 until July 31, 2011. It is enacted once signed by both parties.

14.1 Venue and jurisdiction of any suit, right, or cause of action arising under or in connection with this Contract shall lie exclusively in Tarrant County, Texas.

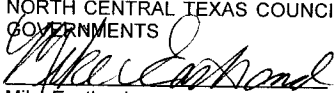
IN WITNESS HEREOF, the parties hereto have executed this Contract in duplicate original at Arlington, Tarrant County, Texas, the 10 day of May, 2010.

HUNT COUNTY



Hunt
County Judge

Date
NORTH CENTRAL TEXAS COUNCIL OF
GOVERNMENTS



Mike Eastland
Executive Director

5/4/10

Date

**North Central Texas Council of Governments
Cities Readiness Initiative
Hunt County Budget**

**FY10-FY11
Contract**

Volunteer Coordinator	34,000.00
Travel	3,000.00
Equipment	9,500.00
Supplies	2,384.00
Other	500.62
Total Funds Used	49,384.62
Total Funds Available	\$49,384.62

*Cumulative budget line item transfers:

- (1) require prior COG approval
- (2) can not exceed 10% of total fiscal year budget
- (3) total budgeted amount must remain unchanged



11,625⁶⁵

TEXAS DIVISION OF EMERGENCY MANAGEMENT
TEXAS DEPARTMENT OF PUBLIC SAFETY
WWW.TXDPS.STATE.TX.US/DEM

June 18, 2010

The Honorable John Horn
Hunt County Judge
P.O. Box 1097
Greenville, TX 75403

10 AUG - 9 AM 11:14:16
FOR RECORDS
SECTION
DATE

Dear Judge Horn:

This letter is to advise you that your application to participate in the Emergency Management Performance Grant (EMPG) program during Fiscal Year 2010 (FY 10) has been accepted.

1. Grant Award

The Notice of Sub-recipient Grant Award (Attachment 1) specifies the federal EMPG program funding that will be provided during FY 10.

An individual authorized by your County Commission to accept grants on behalf of the jurisdiction, typically the County Judge, must sign the award and return it to the Division *within 45 days* to activate your grant. Retain a copy for your records and provide a copy of the entire grant award package to your local financial manager. Failure to accept the award and return documentation to the Division within 45 days may result in the distribution of the award to another jurisdiction.

2. Required EMPG Tasks

- A. Your FY 10 EMPG Program Application has been approved. As changes to this document may have been made in order to meet FY 10 program requirements since originally submitted, you should carefully review the attached copy.
- B. The process for documenting exercise participation has not changed. All EMPG participants must prepare and submit an After Action Report (AAR) and Improvement Plan (IP), in the format prescribed by the DHS Homeland Security Exercise Evaluation Program (HSEEP). The HSEEP document can be accessed at <https://hseep.dhs.gov>. A sample AAR and IP is located on our website at <http://www.txdps.state.tx.us/dem>.
- C. The Department of Homeland Security has identified steps that States, territories, tribal, and local entities should take during FY 10 to remain compliant with the NIMS. All jurisdictions awarded FY 10 EMPG funds must achieve and maintain 100% compliance with NIMSCAST objectives and metrics.
- D. Participate in the Texas Regional Response Network (TRRN) by registering as a user and identifying resources that jurisdiction(s) participating in the local emergency management program are prepared to make available to other jurisdictions through mutual aid.

- E. As indicated in the FY 2010 EMPG Guidance, grant recipients must apply no less than 25 percent of their grant award toward planning activities. The *Staffing Commitment Certification* should be submitted semi-annually with each Progress Report.

3. Task Progress & Reporting

Continued participation in the EMPG program is in part conditioned on making proportional progress on your Work Plan tasks and the timely submission of progress and financial reports.

- A. **Proportional Progress in Program Tasks.** You are expected to complete and document a portion of those tasks each quarter rather than deferring most planning tasks, training, exercises, and other activities until the last several months of the fiscal year. Those who try to complete a year's work in several months frequently fail when emergencies occur late in the year.
- B. **Financial Reports.** EMPG Financial reports are due 30 days after the close of each quarter of the federal Fiscal Year. Quarterly Financial Reports are due January 15, April 15, July 15, and October 15. These reports should be sent directly to the TDEM EMPG Auditor at the P.O. Box address at the top of the first page of this letter.
- C. **Progress Reports.** Your first semi-annual progress report was due to the TDEM Preparedness Section on April 15, 2010. The final progress report is due October 15, 2010. As noted previously, these reports should reflect and document progress in completing the tasks contained in your Statement of Work.
- D. **Failure to complete the tasks outlined in your approved Statement of Work or to submit quarterly financial reports and semi-annual progress reports by the required due dates is cause for elimination from the EMPG program.**

If you do not expend grant funds allocated on allowable expenses within the performance period, future grants will likely be reduced.

If you determine that you do not wish to participate in the FY 10 EMPG program, please advise me as soon as possible.

If you have questions regarding EMPG tasks, please contact the EMPG Program Administrator, Rex Ogle, at 512-424-7051.

Respectfully,



Russell P. Lecklider
Deputy Assistant Director

RL:lg

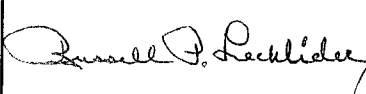
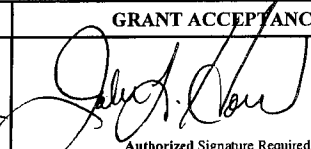
Attachments: 1- Notice of Sub-Recipient Grant Award
2- Terms and Conditions
3- Approved Statement of Work

TEXAS DEPARTMENT OF PUBLIC SAFETY
TEXAS DIVISION OF EMERGENCY MANAGEMENT (TDEM)

67

NOTICE OF SUBRECIPIENT GRANT AWARD	
Program Title: FY 2010 Emergency Management Performance Grant (EMPG)	
DHS Instrument Number: 2010-EP-E10-0005	
TDEM Grant Number: 10TX-EMPG-0042	
Administered By: Texas Department of Public Safety Texas Division of Emergency Management P.O. Box 4087 Austin, Texas 78773-0220	
SubRecipient: Hunt County P.O. Box 1097 Greenville, TX 75403	
Amount of Grant: \$25,415.00	
Period of Grant: October 1, 2009, to September 30, 2010	

Signing Acceptance of this document means that you accept and will comply with all the requirements listed in the attached FY 2010 EMPG Terms and Conditions.

AGENCY APPROVAL	GRANT ACCEPTANCE
	
Russell P. Lecklider Deputy Assistant Director	Authorized Signature Required Printed Name/Title: John L. Hoenes / County Judge
Date: 6-18-10	Date: 6-22-2010

Return Signed Copy of This Page within 45 days to:
Texas Department of Public Safety
Texas Division of Emergency Management
Attention: Rex Ogle, Preparedness Section
PO Box 4087
Austin, TX 78773-0220

**FISCAL YEAR 2010
EMPG STATEMENT OF WORK & CUMULATIVE PROGRESS REPORT**

APPLICANT NAME (Jurisdiction): HUNT COUNTY, TEXAS				
Document	Submitted By	Date	TDEM Review By	Date
Statement of Work	DAVID ALEXANDER	12-15-2009	<i>[Signature]</i>	<i>[Signature]</i>
Progress Report #1				
Progress Report #2				
TASK 1—WORK PLAN & SEMIANNUAL PROGRESS REPORT				
<input checked="" type="checkbox"/> Work Plan	Our jurisdiction will submit an EMPG Application, two Progress Reports, two Staffing Commitment Certifications, and four Quarterly Financial Reports Our jurisdiction has appointed a NIMSCAST point of contact, established a NIMSCAST account, and is 100% compliant with FY 2009 NIMSCAST objectives and metrics			
<input type="checkbox"/> Progress Report #1	<input type="checkbox"/> This Progress Report # 1 is being submitted to the TDEM Preparedness Section <input type="checkbox"/> First & Second Quarter Financial Reports have been submitted to TDEM Support Services			
<input type="checkbox"/> Progress Report #2	<input type="checkbox"/> This Progress Report # 2 is being submitted to the TDEM Preparedness Section <input type="checkbox"/> Third & Fourth Quarter Financial Reports have been submitted to TDEM Support Services			
TASK 2—LEGAL AUTHORITIES FOR EMERGENCY MANAGEMENT PROGRAM				
<input checked="" type="checkbox"/> Work Plan	Our jurisdiction will maintain current legal documents establishing our emergency management program <input checked="" type="checkbox"/> Our NIMSCAST account is 100% compliant with all objectives and metrics <input type="checkbox"/> Our TRRN registration completed and resources entered <input type="checkbox"/> Our legal documents are current & on file with TDEM; no additional action is required <input type="checkbox"/> Our jurisdiction will prepare or update & submit to TDEM: <div style="margin-left: 20px;"> <input type="checkbox"/> Commissioner's Court Order # <input type="checkbox"/> City Ordinance(s) for: <input type="checkbox"/> Updated Joint Resolution dated: <input type="checkbox"/> NIMS Adoption dated: </div>			
<input type="checkbox"/> Progress Report #1 October 1 – March 31	<input type="checkbox"/> Our NIMSCAST account is 100% compliant with all objectives and metrics <input type="checkbox"/> Our TRRN registration completed and resources entered <input type="checkbox"/> Our legal documents are current & on file with TDEM; no additional action is required <input type="checkbox"/> Our jurisdiction completed & submitted to TDEM: <div style="margin-left: 20px;"> <input type="checkbox"/> Commissioner's Court Order # <input type="checkbox"/> City Ordinance(s) for: <input type="checkbox"/> Updated Joint Resolution dated: <input type="checkbox"/> NIMS Adoption dated: </div>			
<input type="checkbox"/> Progress Report #2 April 1- September 30	<input type="checkbox"/> Our NIMSCAST account is 100% compliant with all objectives and metrics <input type="checkbox"/> Our TRRN registration completed and resources entered <input type="checkbox"/> Our legal documents are current & on file with TDEM; no additional action is required <input type="checkbox"/> Our jurisdiction completed & submitted to TDEM: <div style="margin-left: 20px;"> <input type="checkbox"/> Commissioner's Court Order # <input type="checkbox"/> City Ordinance(s) for: <input type="checkbox"/> Updated Joint Resolution dated: <input type="checkbox"/> NIMS Adoption dated: </div>			

TDEM-17A
11/09

Mail completed form to:

EMPG Program Administrator
Preparedness Section
Texas Division of Emergency Management
Texas Department of Public Safety
P O Box 4087
Austin, TX 78773-0223

Page 1 of 6

TASK 3—PUBLIC EDUCATION/INFORMATION	
<input checked="" type="checkbox"/> Work Plan	<input checked="" type="checkbox"/> Option 1: Our jurisdiction will conduct 30 hours of hazard awareness activities for local citizens <p style="text-align: center;">OR</p> <input type="checkbox"/> Option 2: Our jurisdiction will prepare & distribute public education/information materials to a substantial portion of the community. In the space below, describe the materials to be distributed:
<input type="checkbox"/> Progress Report #1 October 1 – March 31	<input type="checkbox"/> Our jurisdiction completed the following hazard awareness or public education/information activities:
<input type="checkbox"/> Progress Report #2 April 1 – September 30	<input type="checkbox"/> Our jurisdiction completed the following hazard awareness or public education/information activities:
TASK 4—EMERGENCY MANAGEMENT PLANNING DOCUMENTS	
<input checked="" type="checkbox"/> Work Plan	<input type="checkbox"/> Our jurisdiction reviewed our emergency management plan & annexes for currency and NIMS compliance <input type="checkbox"/> Our emergency management plan and all annexes are current and NIMS compliant <input type="checkbox"/> We will develop, update, or change these planning documents: <input type="checkbox"/> Basic Plan Annexes: <input type="checkbox"/> A <input type="checkbox"/> B <input type="checkbox"/> C <input type="checkbox"/> D <input type="checkbox"/> E <input type="checkbox"/> F <input type="checkbox"/> G <input type="checkbox"/> H <input type="checkbox"/> I <input type="checkbox"/> J <input type="checkbox"/> K <input type="checkbox"/> L <input type="checkbox"/> M <input type="checkbox"/> N <input type="checkbox"/> O <input type="checkbox"/> P <input type="checkbox"/> Q <input type="checkbox"/> R <input type="checkbox"/> S <input checked="" type="checkbox"/> T <input checked="" type="checkbox"/> U <input type="checkbox"/> V <input type="checkbox"/> Other documents:
<input type="checkbox"/> Progress Report #1 October 1 – March 31	<input type="checkbox"/> Our jurisdiction reviewed our emergency management plan & annexes for currency and NIMS compliance <input type="checkbox"/> Our emergency management plan and all annexes are current and NIMS compliant <input type="checkbox"/> We updated by revision or change these planning documents: <input type="checkbox"/> Basic Plan Annexes: <input type="checkbox"/> A <input type="checkbox"/> B <input type="checkbox"/> C <input type="checkbox"/> D <input type="checkbox"/> E <input type="checkbox"/> F <input type="checkbox"/> G <input type="checkbox"/> H <input type="checkbox"/> I <input type="checkbox"/> J <input type="checkbox"/> K <input type="checkbox"/> L <input type="checkbox"/> M <input type="checkbox"/> N <input type="checkbox"/> O <input type="checkbox"/> P <input type="checkbox"/> Q <input type="checkbox"/> R <input type="checkbox"/> S <input type="checkbox"/> T <input type="checkbox"/> U <input type="checkbox"/> V <input type="checkbox"/> Other documents:
<input type="checkbox"/> Progress Report #2 April 1 – September 30	<input type="checkbox"/> Our jurisdiction reviewed our emergency management plan & annexes for currency and NIMS compliance <input type="checkbox"/> Our emergency management plan and all annexes are current and NIMS compliant <input type="checkbox"/> We updated by revision or change these planning documents: <input type="checkbox"/> Basic Plan Annexes: <input type="checkbox"/> A <input type="checkbox"/> B <input type="checkbox"/> C <input type="checkbox"/> D <input type="checkbox"/> E <input type="checkbox"/> F <input type="checkbox"/> G <input type="checkbox"/> H <input type="checkbox"/> I <input type="checkbox"/> J <input type="checkbox"/> K <input type="checkbox"/> L <input type="checkbox"/> M <input type="checkbox"/> N <input type="checkbox"/> O <input type="checkbox"/> P <input type="checkbox"/> Q <input type="checkbox"/> R <input type="checkbox"/> S <input type="checkbox"/> T <input type="checkbox"/> U <input type="checkbox"/> V <input type="checkbox"/> Other documents:

TASK 5—EXERCISE PARTICIPATION & SCHEDULE			
<input checked="" type="checkbox"/> Work Plan	Our required three-year exercise schedule is listed below Our jurisdiction will conduct & report participation in a tabletop exercise and a functional or full-scale exercise this fiscal year or obtain exercise credit for actual events for these exercises <input type="checkbox"/> Our required exercise schedule includes make up exercises from FY ____		
NOTE: A Full-Scale exercise must be conducted every three (3) years.			
REQUIRED EXERCISE SCHEDULE			
Period	Exercise Type	Exercise Scenario*	Quarter of Year
Fiscal Year 2010 (October 1, 2009 - September 30, 2010)	<input checked="" type="checkbox"/> Tabletop	<input type="checkbox"/> NH <input type="checkbox"/> TH <input type="checkbox"/> NS <input type="checkbox"/> TR <input type="checkbox"/> HM	<input type="checkbox"/> 1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4
	<input checked="" type="checkbox"/> Functional	<input type="checkbox"/> NH <input type="checkbox"/> TH <input type="checkbox"/> NS <input type="checkbox"/> TR <input type="checkbox"/> HM	<input type="checkbox"/> 1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4
	<input type="checkbox"/> Full-Scale	<input type="checkbox"/> NH <input type="checkbox"/> TH <input type="checkbox"/> NS <input type="checkbox"/> TR <input type="checkbox"/> HM	<input type="checkbox"/> 1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4
Fiscal Year 2011 (October 1, 2010 - September 30, 2011)	<input checked="" type="checkbox"/> Tabletop	<input type="checkbox"/> NH <input type="checkbox"/> TH <input type="checkbox"/> NS <input type="checkbox"/> TR <input type="checkbox"/> HM	<input type="checkbox"/> 1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4
	<input checked="" type="checkbox"/> Functional	<input type="checkbox"/> NH <input type="checkbox"/> TH <input type="checkbox"/> NS <input type="checkbox"/> TR <input type="checkbox"/> HM	<input type="checkbox"/> 1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4
	<input type="checkbox"/> Full-Scale	<input type="checkbox"/> NH <input type="checkbox"/> TH <input type="checkbox"/> NS <input type="checkbox"/> TR <input type="checkbox"/> HM	<input type="checkbox"/> 1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4
Fiscal Year 2012 (October 1, 2011 - September 30, 2012)	<input checked="" type="checkbox"/> Tabletop	<input type="checkbox"/> NH <input type="checkbox"/> TH <input type="checkbox"/> NS <input type="checkbox"/> TR <input type="checkbox"/> HM	<input type="checkbox"/> 1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4
	<input type="checkbox"/> Functional	<input type="checkbox"/> NH <input type="checkbox"/> TH <input type="checkbox"/> NS <input type="checkbox"/> TR <input type="checkbox"/> HM	<input type="checkbox"/> 1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4
	<input checked="" type="checkbox"/> Full-Scale	<input type="checkbox"/> NH <input type="checkbox"/> TH <input type="checkbox"/> NS <input type="checkbox"/> TR <input type="checkbox"/> HM	<input type="checkbox"/> 1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4
Our last Full-Scale exercise was conducted on (date):		Scenario*:	
*Scenarios: NH=Natural Hazard, TH=Technological Hazard, NS=National Security, TR=Terrorism, HM=Public Health or Medical			
<input type="checkbox"/> Progress Report #1 October 1 – March 31	We conducted the following exercises and provided documentation to TDEM:		
	Exercise	Date	# of Participants
	<input type="checkbox"/> Tabletop		
	<input type="checkbox"/> Functional		
	<input type="checkbox"/> Full-Scale		
<input type="checkbox"/> Tabletop			
<input type="checkbox"/> Functional			
<input type="checkbox"/> Full-Scale			
<input type="checkbox"/> Our jurisdiction completed NO exercise and did not request credit for an actual event <input type="checkbox"/> Our jurisdiction requested functional or full-scale exercise credit for an actual event on ____ and our request <input type="checkbox"/> is pending <input type="checkbox"/> was approved and documentation of approval is attached			
<input type="checkbox"/> Progress Report #2 April 1 – September 30	We conducted the following exercises and provided documentation to TDEM:		
	Exercise	Date	# of Participants
	<input type="checkbox"/> Tabletop		
	<input type="checkbox"/> Functional		
	<input type="checkbox"/> Full-Scale		
<input type="checkbox"/> Tabletop			
<input type="checkbox"/> Functional			
<input type="checkbox"/> Full-Scale			
<input type="checkbox"/> Our jurisdiction completed NO exercise and did not request credit for an actual event <input type="checkbox"/> Our jurisdiction requested functional or full-scale exercise credit for an actual event on ____ and our request <input type="checkbox"/> is pending <input type="checkbox"/> was approved and documentation of approval is attached			

TASK 6—TRAINING FOR EMERGENCY MANAGEMENT PERSONNEL		
<input checked="" type="checkbox"/> Work Plan	EMPG-funded emergency management personnel will participate in the following training during FY 2010:	
	Position/Name	Course Name or Number
	RICHARD K. HILL	STORM SPOTTERS, PIPELINE SAFETY, INTRODUCTION TO HAZARDOUS MATERIALS, HAZARDOUS MATERIAL PREVENTION
	DAVID ALEXANDER	STORM SPOTTERS, PIPELINE SAFETY, INTRODUCTION TO HAZARDOUS MATERIALS, HAZARDOUS MATERIALS PREVENTION, DEM HAZARDOUS MATERIALS OPERATION TRAINING
	J. DAVID JONES	INTRODUCTION TO HAZARDOUS MATERIALS, HAZARDOUS MATERIALS PREVENTION, INTRODUCTION TO CONTINUITY OF OPERATIONS PLANNING FOR PANDEMIC INFLUENZAS
<input type="checkbox"/> Progress Report #1 October 1 – March 31	Emergency management personnel completed the following training and documentation is attached:	
	Position/Name	Course Name or Number Date Completed
<input type="checkbox"/> Progress Report #2 April 1 – September 30	Emergency management personnel completed the following training and documentation is attached:	
	Position/Name	Course Name or Number Date Completed

TASK 7—EMERGENCY MANAGEMENT TRAINING FOR OTHER PERSONNEL			
<input checked="" type="checkbox"/> Work Plan	Our jurisdiction will conduct or arrange emergency management related training for elected officials, other local officials, & support agencies.		
<input type="checkbox"/> Progress Report #1 October 1 – March 31	The following formal training courses were taught or contracted:		
	Date	Course Title	Class Description # Trained
<input type="checkbox"/> Progress Report #2 April 1 – September 30	The following formal training courses were taught or contracted:		
	Date	Course Title	Class Description # Trained
TASK 8—EMERGENCY MANAGEMENT ORGANIZATIONAL DEVELOPMENT			
<input checked="" type="checkbox"/> Work Plan	Our jurisdiction will participate in the following emergency management organizational development activities: LEPC, AFTER ACTION REVIEWS, HUNT COUNTY MULTI-AGENCY COMMITTEE, H1N1 PLANNING AND SEMINARS		
<input type="checkbox"/> Progress Report #1 October 1 – March 31	Our jurisdiction completed the following staff development activities:		
<input type="checkbox"/> Progress Report #2 April 1 – September 30	Our jurisdiction completed the following staff development activities:		

APPLICANT NAME: HUNT COUNTY, TEXAS

REMARKS
(Use an Additional Sheet if Necessary)

FY 2010 EMPG
Terms and Conditions

1. **Purpose:** Grant funds will be used to support local comprehensive emergency management programs to encourage improvement of mitigation, preparedness, response, and recovery capabilities for all hazards. Funding may be used to support activities that contribute to the capability to manage consequences of acts of terrorism. Funds provided may also be used to accomplish initiatives described in the Federal Program Guidelines, including local implementation of the National Incident Management System (NIMS), incorporation of appropriate references to the National Response Framework (NRF) into local plans, homeland security assessment and strategy integration, and assessment of the local emergency management program using Emergency Management Assessment Program (EMAP) standards.
2. **Administrative Requirements:** This award is from federal grant funds, and as such, the conditions of the federal grant are incorporated herein by reference and made a part hereof for all intents and purposes.
 - A. The Subrecipient agrees to use funds in accordance with the *FY 2010 Emergency Management Performance Grants (EMPG) Program Guidance and Application Kit*. The Subrecipient and subcontractors shall comply with the most recent version of the Administrative and National Policy Requirements, Cost Principles, and Audit Requirements.

A non-exclusive list of the regulations commonly applicable to the grant award can be found in the grant guidance. (<http://www.fema.gov/government/grant/empg>) See Part VI, B. Administrative and National Policy Requirements.
 - B. The Subrecipient's FY 2010 EMPG Application and all related attachments submitted to TXDPS are also incorporated herein by reference and made a part hereof for all intents and purposes.
 - C. The Subrecipient agrees to comply with all applicable local, state and federal laws, rules and regulations. If a state and federal requirement govern the same subject matter, the more stringent provision applies.
 - D. The subrecipient also agrees to comply with TXDPS issued EMPG program guidance for local governments and bulletins issued by TXDPS regarding administration of these funds. Any changes in the guidance or information bulletins are automatically incorporated herein.
3. **Grant Acceptance:** The Notice of Subrecipient Grant Award is only an offer until the Subrecipient returns the signed copy of the Acceptance of Subrecipient Grant Award in accordance with the instructions provided in the transmittal letter.
4. **Grant Funding:** The amount of this grant may be less than the amount requested in your EMPG Application for Federal Assistance (TDEM-67) due to limits on federal funding for the EMPG program. However, the EMPG Subrecipient should continue to report all eligible expenses in quarterly financial reports. In the event additional program funding becomes

available from the federal government or unspent EMPG funds remain at the end of the fiscal year, the TXDPS may be able to allocate additional funds to EMPG program participants.

- A. The Subrecipient agrees to provide the **50% cash match** required by the EMPG program. The Subrecipient understands that TXDPS will only reimburse the Subrecipient for 50% of their eligible expenditures up to the amount of the Subrecipient's grant award. Information about regulations governing matching funds can be found in the FY 2010 Match Guidance in Part VIII of the *FY 2010 Emergency Management Performance Grants (EMPG) Program Guidance and Application Kit*.
 - B. Subrecipient agrees to make no request for reimbursement for goods or services procured by the Subrecipient prior to the start of the period of performance stated in this award document or after the end of the period of performance.
 - C. Notwithstanding any other provisions of this document, the parties hereto understand and agree that the obligations of TXDPS under this Agreement are contingent upon the availability of adequate funds to meet TXDPS's liabilities hereunder. TXDPS shall not be liable to the Subrecipient for unallowable costs or costs under this Agreement that exceed the amount specified in the Notice of Subrecipient Grant Award.
 - D. The awarding agency, TXDPS, shall retain the right to recover any disallowed costs identified by an audit or any other means. The Subrecipient agrees to repay any disallowed costs identified by TXDPS and understands that repayment may be required even after the end of the grant period.
 - E. Subrecipient understands and agrees that it cannot use any federal funds, either directly or indirectly, in support of the enactment, repeal, modification or adoption of any law, regulation or policy, at any level of government, without the express prior written approval of FEMA National Preparedness Directorate.
 - F. The Subrecipient agrees that all use of funds must support the goals and objectives included in the Texas Homeland Security Strategic Plan. (http://governor.state.tx.us/files/press-office/HmLndSecurity_StratPlan.pdf)
 - G. The Subrecipient official certifies federal funds will be used to supplement existing funds, and will not replace (supplant) funds that have been appropriated for the same purpose. Subrecipient may be required to supply documentation certifying that a reduction in non-federal resources occurred for reasons other than the receipt or expected receipt of federal funds.
5. **Work to Be Performed:** The approved FY 10 Statement of Work & Progress Report outlines eight tasks that the grantee must perform during the grant period. The following additional tasks are also required of the Subrecipient:
- A. Implement the National Incident Management System (NIMS) at the local level.
 - B. Incorporate pertinent information concerning the National Response Framework (NRF) into the local or inter-jurisdictional emergency management plan and its annexes.
 - C. Participate in the Texas Regional Response Network (TRRN) by registering as a user and identifying resources that the jurisdiction(s) participating in the local emergency

management program are prepared to make available to other jurisdictions through mutual aid. ⁷⁶

- D. During the performance period of this grant, Subrecipient must maintain an emergency management plan at the Advanced Level of planning preparedness or higher, as prescribed by the TXDPS. This may be accomplished by jurisdictions maintaining its own emergency management plan or participating in an inter-jurisdictional emergency management program that meets the required standards. If the TXDPS identifies deficiencies in the Subrecipient's plan, the Subrecipient will correct deficiencies within 60 days of receiving notice of such deficiencies from TXDPS.
- E. During the performance period of this grant, Subrecipient agrees that it will participate in a legally-adopted county and/or regional mutual aid agreement.
- F. Subrecipients must maintain an updated inventory of equipment purchased through this grant program in accordance with Uniform Grant Management Standards, Part III, Subpart C, § 32 Equipment www.governor.state.tx.us/files/state-grants/UGMS062004.doc.
- G. The Subrecipient agrees that any equipment purchased with grant funding shall be prominently marked as follows: "Purchased with funds provided by the U.S. Department of Homeland Security." Exceptions to this requirement are limited to items where placing of the marking is not possible due to the nature of the equipment.

6. Reporting Requirements:

- A. Subrecipient agrees to comply with all reporting requirements and shall provide such information as required by TXDPS. Reporting requirements are found in the *FY 2010 Emergency Management Program Guide* (for local governments) which is on the TXDPS website at: ftp://ftp.txdps.state.tx.us/dem/empg/empg_program_guide_fy10.pdf
- B. Subrecipients may be required to submit additional information and data requested by TXDPS after the end of the period of performance in order to close out the grant.
- C. Subrecipient must prepare and submit Semi-Annual Progress Reports to TXDPS for the duration of the grant performance period or until all grant activities are completed and the grant is formally closed. The first performance reporting period is October 1 to March 31 (due on April 15, 2010) and the second reporting period is April 1 to September 30 (due on October 15, 2010).

7. Monitoring:

- A. Subrecipient will provide TXDPS, State Auditor, or Department of Homeland Security (DHS) personnel or authorized representatives, access to the grant-funded program and the right to examine all paper or electronic records related to the financial assistance received.
- B. Subrecipient agrees to monitor their program to ensure that federal awards are used for authorized purposes in compliance with laws, regulations, and the provisions of contracts or grant agreements and that the performance goals are achieved.
- C. TXDPS or other authorized agencies may perform periodic reviews of Subrecipient performance and expenditures for which reimbursement is requested as necessary to

ensure the federal awards are used for authorized purposes in compliance with laws, regulations, and the provisions of contracts or grant agreements and that performance goals are achieved. The monitoring may be accomplished through a combination of desk-based reviews and/or on-site monitoring visits. These reviews may include, but are not limited to: comparing actual Subrecipient activities to those approved in the sub-award application and subsequent modifications if any; ensuring that grant funds have been expended in accordance with applicable guidelines; confirming compliance with grant assurances, and verifying information provided on performance reports and payment requests.

8. Reimbursement for Expenses:

- A. Quarterly Financial Reports are required of all EMPG program participants. The report requirements and due dates (January 15, April 15, July 15, and October 15, 2010) can be found in the *FY 2010 Emergency Management Program Guide* (for local governments) available on the TXDPS website (see the section above on Reporting Requirements). A Subrecipient's reimbursement is based on the TXDPS review and approval of these quarterly reports.
- B. Reimbursement for expenses reported in second quarter Financial Reports will not be paid until TXDPS receives the required first semi-annual Progress Report. In addition, expenses for the fourth quarter will not be paid until the second semiannual progress report has been submitted and all required tasks are completed.
- C. As TXDPS plans to promptly close out the Fiscal Year 2010 EMPG program at the end of the grant, requests for reimbursement of expenses that are postmarked more than 45 days after the end of the stated period of performance will not be paid unless extenuating circumstances exist and TXDPS has approved an exception.

9. Choice of Law and Venue: This agreement shall be construed and governed by Texas law. Venue for any contract claims or litigation shall be in the State Office of Administrative Hearings or a court of competent jurisdiction in Travis County, Texas.

10. Changes to the Law: TXDPS is a state agency whose authority and appropriations are subject to the actions of the Texas Legislature and the United States Congress. If TXDPS and/or the subject matter of this contract become subject to a legislative or regulatory change, revocation of statutory or regulatory authority, or lack of funds that would render the services and/or goods and/or payment to be provided under this agreement impossible, unnecessary, void, or substantially amended, TXDPS may terminate this agreement without penalty to, or any liability whatsoever on the part of, TXDPS, the State of Texas, and the United States.

11. Written Modification: No modification or amendment to this Subrecipient Agreement shall become valid unless in writing and signed by both parties.

12. Assurances: To the extent it applies, Subrecipient agrees it will comply with Texas Government Code, Chapter 783, 1 Texas Administrative Code (TAC) §§5.141 *et seq.*, and the Uniform Grant Management Standards, State Uniform Administrative Requirements for Grants and Cooperative Agreements, Subpart B, §. 14 State Assurances. (www.governor.state.tx.us/files/state-grants/UGMS062004.doc)

- 13. Other Restrictions:** The funds received under this sub-recipient agreement will be expended subject to the limitations and reporting requirements similar to those required of state agencies in Article IX, Section 4.05 of the General Appropriations Act of the 81st Legislature. (http://www.lbb.state.tx.us/Bill_81/6_FSU/Bill-81-6_FSU_0909.pdf)
- 14. Sanctions:** TXDPS may suspend or terminate Subrecipient's funding, in whole or in part, or other measures may be imposed for any of the following reasons: failing to comply with the requirements or statutory objectives of federal law, failing to make satisfactory progress toward the goals or objectives set forth in the sub-award application, failing to follow grant agreement requirements or special conditions, failing to submit required reports, or filing a false certification or other report or document. Satisfactory Progress is defined as accomplishing the following during the performance period of the grant: achieving and/or maintaining the required Preparedness Level to include performance of required training, planning, and exercises; compliance with the National Incident Management System requirements; and submission of Progress Reports and Financial Reports in accordance with established timelines. All of the aforementioned tasks must be accomplished in a timely manner. **Special Conditions may be imposed on Subrecipient's use of grant funds until problems identified during grant monitoring visits conducted by TXDPS audit and compliance personnel are resolved.**

11,626

EXHIBIT A
19 AUG - 9 PM 2: 08
FILED FOR RECORD
COUNTY CLERK
HUNT COUNTY TEXAS

ENVIRONMENTAL HEALTH SERVICE AGREEMENT

THE STATE OF TEXAS
COUNTY OF HUNT

This Agreement, made and entered into on the day and date last hereinafter written by and between the City of Campbell, hereinafter called "City" acting by and through its Mayor, being duly authorized by Resolution of the City Commission of the City of Campbell, Texas a copy of which is marked Exhibit A, attached hereto and made a part hereof as if copied herein verbatim and the Greenville-Hunt County Health Department, hereinafter referred to as "County" acting by and through its representative, being authorized by Resolution of the governing body of said entity, reference is made thereto for all purposes.

WITNESSETH, that the City and County, for the consideration stated herein mutually agree as follows:

I

County agrees and does hereby agree to perform the following services in and for the City of Campbell, Texas:

- A. Inspect food service establishments and temporary event vendors within the City of Campbell.
- B. Follow up on serious violations to determine if corrections are made in a timely manner and take appropriate legal action if corrections are not made.
- C. Perform licensing program by notifying each establishment of license expiration, or serious violation of regulations.
- D. Investigate complaints of a public health nature.
- E. Enforce Texas Food Establishment Rules (25TAC §§ 229.161 – 229.171, 229.173-229.175)
- F. Provide copies of files and records for each establishment to the City.
- G. Collect and control all fees, fines and service charges related to work performed by the Health Department.

- H. Perform responsibilities as designated representative pertaining to on-site sewage facilities and review of proposed subdivisions utilizing on-site sewage facilities.
- I. Inspect public swimming pools, nursing homes, day cares, school districts, and hospitals located within the city.

City agrees and does hereby agree to perform the following function in order to assist the County in the performance of services for the City.

- A. Maintain files and records.
- B. Cooperate with and assist Health Department Personnel while performing duties in and for the City of Campbell.
- C. Submit for approval subdivision plans involving individual on-site sewage facilities for final disposal. Approval based on Texas Commission on Environmental Quality On-Site Sewage Facility Regulations.

The terms of this agreement is for a period of one (1) year, commencing on the 1st day of August 2010. This agreement shall automatically renew annually, unless canceled or modified at any time by either party hereto by giving written notice to the other party.

WITNESS OUR HANDS TO TRIPPLICATE COPIES, each of which shall have full force and dignity as an original, this 12th day of July, 2010.

ATTEST:

CITY OF CAMPBELL, TEXAS

Car Honey
City Secretary

Ferry Frago
Mayor

(SEAL)

HUNT COUNTY HEALTH DEPT.
John A. K. de
Hunt County Judge

ENVIRONMENTAL HEALTH SERVICE AGREEMENT

EXHIBIT
AUG 9 9 AM 2:08
HUNT COUNTY HEALTH DEPARTMENT
RECORDS

THE STATE OF TEXAS
COUNTY OF HUNT

This Agreement, made and entered into on the day and date last hereinafter written by and between the City of Caddo Mills, hereinafter called "City" acting by and through its Mayor, being duly authorized by Resolution of the City Commission of the City of Caddo Mills, Texas a copy of which is marked Exhibit A, attached hereto and made a part hereof as if copied herein verbatim and the Greenville-Hunt County Health Department, hereinafter referred to as "County" acting by and through its representative, being authorized by Resolution of the governing body of said entity, reference is made thereto for all purposes.

WITNESSETH, that the City and County, for the consideration stated herein mutually agree as follows:

I

County agrees and does hereby agree to perform the following services in and for the City of Caddo Mills, Texas:

- A. Inspect food service establishments and temporary event vendors within the City of Caddo Mills.
- B. Follow up on serious violations to determine if corrections are made in a timely manner and take appropriate legal action if corrections are not made.
- C. Perform licensing program by notifying each establishment of license expiration, or serious violation of regulations.
- D. Investigate complaints of a public health nature.
- E. Enforce Texas Food Establishment Rules (25TAC §§ 229.161 – 229.171, 229.173-229.175)
- F. Provide copies of files and records for each establishment to the City.

G. Collect and control all fees, fines and service charges related to work performed by the Health Department.

H. Inspect public swimming pools, nursing homes, day cares, school districts, and hospitals located within the city.

City agrees and does hereby agree to perform the following functions in order to assist the County in the performance of services for the City.

A. Maintain files and records.

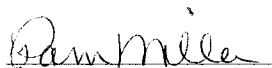
B. Cooperate with and assist Health Department Personnel while performing duties in and for the City of Caddo Mills.

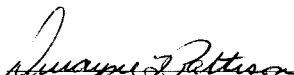
The terms of this agreement is for a period of one (1) year, commencing on the 1st day of August 2010. This agreement shall automatically renew annually, unless canceled or modified at any time by either party hereto by giving written notice to the other party.

WITNESS OUR HANDS TO TRIPPLICATE COPIES, each of which shall have full force and dignity as an original, this 13th day of July, 2010.

ATTEST:

CITY OF CADDO MILLS, TEXAS


City Secretary


Mayor

(SEAL)

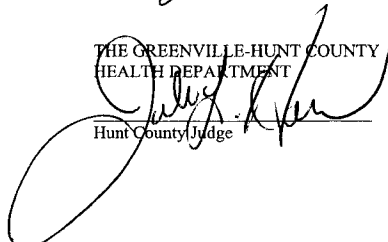
THE GREENVILLE-HUNT COUNTY
HEALTH DEPARTMENT

Hunt County Judge

EXHIBIT A
18 AUG -9 PM 2:09
CLERK OF COUNTY
DEPUTY
CLERK OF COUNTY
DEPUTY
CLERK OF COUNTY
DEPUTY
CLERK OF COUNTY
DEPUTY

ENVIRONMENTAL HEALTH SERVICE AGREEMENT

THE STATE OF TEXAS
COUNTY OF HUNT

This Agreement, made and entered into on the day and date last hereinafter written by and between the City of Celeste, hereinafter called "City" acting by and through its Mayor, being duly authorized by Resolution of the City Commission of the City of Celeste, Texas a copy of which is marked Exhibit A, attached hereto and made a part hereof as if copied herein verbatim and the Greenville-Hunt County Health Department, hereinafter referred to as "County" acting by and through its representative, being authorized by Resolution of the governing body of said entity, reference is made thereto for all purposes.

WITNESSETH, that the City and County, for the consideration stated herein mutually agree as follows:

I

County agrees and does hereby agree to perform the following services in and for the City of Celeste, Texas:

- A. Inspect food service establishments and temporary event vendors within the City of Celeste.
- B. Follow up on serious violations to determine if corrections are made in a timely manner and take appropriate legal action if corrections are not made.
- C. Perform licensing program by notifying each establishment of license expiration, or serious violation of regulations.
- D. Investigate complaints of a public health nature.
- E. Enforce Texas Food Establishment Rules (25TAC §§ 229.161 – 229.171, 229.173-229.175)
- F. Provide copies of files and records for each establishment to the City.
- G. Collect and control all fees, fines and service charges related to work performed by the Health Department.

- H. Perform responsibilities as designated representative pertaining to on-site sewage facilities and review of proposed subdivision utilizing on-site sewage facilities.
- I. Inspect public swimming pools, nursing homes, day cares, school districts, and hospitals located within the city.

City agrees and does hereby agree to perform the following functions in order to assist the County in the performance of services for the City.

- A. Maintain files and records.
- B. Cooperate with and assist Health Department Personnel while performing duties in and for the City of Celeste.
- C. Submit for approval subdivision plans involving individual on-site sewage facilities for final disposal. Approval based on Texas Commission on Environmental Quality On-Site Sewage Facility Regulations.

The terms of this agreement is for a period of one (1) year, commencing on the 1st day of August 2010. This agreement shall automatically renew annually, unless cancelled or modified at any time by either party hereto by giving written notice to the other party.

WITNESS OUR HANDS TO TRIPPLICATE COPIES, each of which shall have full force and dignity as an original, this 6th day of July, 2010.

ATTEST:

CITY OF CELESTE, TEXAS

Donna Penske
City Secretary

[Signature]
Mayor

(SEAL)

HUNT COUNTY HEALTH DEPT.

[Signature]
Hunt County Judge

RESOLUTION NO. 10-35

A RESOLUTION RELATING TO ENTERING INTO AN AGREEMENT FOR ENVIRONMENTAL HEALTH SERVICES WITH THE GREENVILLE-HUNT COUNTY HEALTH DEPARTMENT. GRANTING AUTHORITY TO THE MAYOR TO EXECUTE SAID RESOLUTION, AND AUTHORIZING CITY SECRETARY TO AUTHENTICATE MAYOR'S SIGNATURE TO SAID RESOLUTION; GRANTING AUTHORITY TO CITY MANAGER TO EXECUTE ANY AND ALL OTHER INSTRUMENTS REQUISITE TO IMPLEMENTING SAID RESOLUTION, AND AUTHORIZING CITY SECRETARY TO AUTHENTICATE CITY MANAGER'S SIGNATURE TO ANY AND ALL OTHER INSTRUMENTS REQUISITE TO IMPLEMENTING SAID RESOLUTION.

18 AUG - 9 PM 2:09
 RECEIVED FOR RECORD
 CLERK OF COURTS
 GREENVILLE, TEXAS

A regular meeting of the City Council of the City of Commerce, Texas, was held in Commerce, Texas, at City Hall on the 6th day of July 2010, at 6:00 p.m.; a majority of Council Members being present and constituting a quorum, the following resolution was adopted:

WHEREAS, the City Council has heretofore deemed it to be in the best interest of the City of Commerce to enter into an agreement with the Greenville-Hunt County Health Department for environmental health services, a copy of which is attached hereto and marked Exhibit "A" and made a part hereof as if copied herein verbatim; and

WHEREAS, after careful consideration and review of said Environmental Health Service Agreement, the City Council of the City of Commerce deems it in the best interest and general welfare of the City of Commerce to enter into such agreement with Greenville-Hunt County Health Department .

BE IT RESOLVED, that the Mayor of the City of Commerce, Texas, be authorized and he is hereby authorized to execute on behalf of the City of Commerce said resolution, and said agreement between the City of Commerce and the Greenville-Hunt County Health Department, and

BE IT FURTHER RESOLVED, that the City Secretary be authorized and she is hereby authorized to attest to the signature of the Mayor to said resolution, and said agreement between the City of Commerce and the Greenville-Hunt County Health Department, and

BE IT FURTHER RESOLVED, that the City Manager be authorized and he is hereby authorized to execute on behalf of the City of Commerce any and all other instruments requisite to implementing said resolution, and

BE IT FURTHER RESOLVED, that the City Secretary be authorized and she is hereby authorized to attest to the signature of the City Manager to any and all other instruments requisite to implementing said resolution.

PASSED BY THE GOVERNING BODY of the City of Commerce, Texas, at a regular meeting of the City Council of the City of Commerce, Texas, on the 6th day of July 2010.

ATTEST:

Marty Cunningham
Marty Cunningham
City Secretary

CITY OF COMMERCE, TEXAS
Quay Throgmorton
Quay Throgmorton
Mayor

(seal)

APPROVED AS TO FORM:

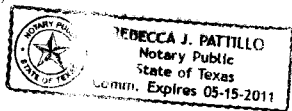
Jim McLobby for
Jim McLobby
City Attorney

I, Marty Cunningham, City Secretary of the City of Commerce, Texas, do hereby certify that the above is a true and correct copy of a resolution, and that the same has not been repealed and is in full force and effect.
(seal)

Marty Cunningham
City Secretary
City of Commerce, Texas

Sworn to and subscribed before me, on this the 7th day of July, 2010 to certify which witness my hand and seal of office.

(seal)



Rebecca J. Patillo
Notary Public
State of Texas

EXHIBIT A
 18 AUG -9 PM 2:09
 DEPUTY
 HUNT COUNTY RECORDS
 HUNT COUNTY TEXAS

ENVIRONMENTAL HEALTH SERVICE AGREEMENT

THE STATE OF TEXAS

COUNTY OF HUNT

This Agreement, made and entered into on the day and date last hereinafter written by and between the City of Commerce, hereinafter called "City" acting by and through its Mayor, being duly authorized by Resolution of the City Commission of the City of Commerce, Texas a copy of which is marked Exhibit A, attached hereto and made a part hereof as if copied herein verbatim and the Greenville-Hunt County Health Department, hereinafter referred to as "County" acting by and through its representative, being authorized by Resolution of the governing body of said entity, reference is made thereto for all purposes.

WITNESSETH, that the City and County, for the consideration stated herein mutually agree as follows:

I

County agrees and does hereby agree to perform the following services in and for the City of Commerce, Texas:

- A. Inspect all food service establishments and temporary event vendors within the City of Commerce.
- B. Follow up on serious violations to determine if corrections are made in a timely manner and take appropriate legal action if corrections are not made.
- C. Perform licensing program by notifying each establishment of license expiration, or serious violation of regulations.
- D. Investigate complaints of a public health nature.
- E. Enforce Texas Food Establishment Rules (25TAC §§ 229.161 – 229.171, 229.173-229.175)
- F. Provide copies of files and records for each establishment to the City.

- G. Collect and control all fees, fines and service charges related to work performed by the Health Department.
- H. Perform responsibilities as designated representative pertaining to on-site sewage facilities and review of proposed subdivisions utilizing on-site sewage facilities.
- I. Collect all fees and permits related to on-site sewage facilities program.
- J. Inspect public swimming pools, nursing homes, day cares, school districts, and hospitals located within the city.

City agrees and does hereby agree to perform the following function in order to assist the County in the performance of services for the City.

- A. Maintain files and records.
- B. Cooperate with and assist Health Department Personnel while performing duties in and for the City of Commerce.
- C. Submit for approval subdivision plans involving individual on-site sewage facilities for final disposal. Approval based on Texas Commission on Environmental Quality On-Site Sewage Facility Regulations.

The terms of this agreement is for a period of one (1) year, commencing on the 1st day of August 2010. This agreement shall automatically renew annually, unless canceled or modified at any time by either party hereto by giving written notice to the other party.

WITNESS OUR HANDS TO TRIPPLICATE COPIES, each of which shall have full force and dignity as an original, this 6 day of July, 2010.

ATTEST:

Nancy C. Glau
City Secretary

(SEAL)

CITY OF COMMERCE, TEXAS

Quay Thompson
Mayor

HUNT COUNTY HEALTH DEPT.

[Signature]
Hunt County Judge

FILED FOR RECORD
JANINA BROOKS
CLERK COUNTY CLERK
COUNTY OF HUNT, TEXAS
89
18 AUG -9 PM 2:09
EXHIBIT A
S. J. [Signature]
COUNTY CLERK

ENVIRONMENTAL HEALTH SERVICE AGREEMENT

THE STATE OF TEXAS

COUNTY OF HUNT

This Agreement, made and entered into on the day and date last hereinafter written by and between the City of Hawk Cove, hereinafter called "City" acting by and through its Mayor, being duly authorized by Resolution of the City Commission of the City of Hawk Cove, Texas a copy of which is marked Exhibit A, attached hereto and made a part hereof as if copied herein verbatim and the Greenville-Hunt County Health Department, hereinafter referred to as "County" acting by and through its representative, being authorized by Resolution of the governing body of said entity, reference is made thereto for all purposes.

WITNESSETH, that the City and County, for the consideration stated herein mutually agree as follows:

1

County agrees and does hereby agree to perform the following services in and for the City of Hawk Cove, Texas:

- A. Inspect food service establishments and temporary event vendors within the City of Hawk Cove.
- B. Follow up on serious violations to determine if corrections are made in a timely manner and take appropriate legal action if corrections are not made.
- C. Perform licensing program by notifying each establishment of license expiration, or serious violation of regulations.
- D. Investigate complaints of a public health nature.
- E. Enforce Texas Food Establishment Rules (25TAC §§ 229.161 – 229.171, 229.173-229.175)
- F. Provide copies of files and records for each establishment to the City.

G. Collect and control all fees, fines and service charges related to work performed by the Health Department.

H. Perform responsibilities as designated representative pertaining to on-site sewage facilities and review of proposed subdivisions utilizing on-site sewage facilities.

City agrees and does hereby agree to perform the following functions in order to assist the County in the performance of services for the City.

- A. Maintain files and records.
- B. Cooperate with and assist Health Department Personnel while performing duties in and for the City of Hawk Cove.
- C. Submit for approval subdivision plans involving individual on-site sewage facilities for final disposal. Approval based on Texas Commission on Environmental Quality On-Site Sewage Facility Regulations.

The terms of this agreement is for a period of one (1) year, commencing on the 1st day of August 2010. This agreement shall automatically renew annually, unless canceled or modified at any time by either party hereto by giving written notice to the other party.

WITNESS OUR HANDS TO TRIPPLICATE COPIES, each of which shall have full force and dignity as an original, this 24 day of June, 2010.

ATTEST:

CITY OF HAWK COVE, TEXAS

Jessie Smith
City Secretary

Billy W Cook
Mayor

(SEAL)

[Signature]
HUNT COUNTY HEALTH DEPT.
Hunt County Judge

FILED FOR RECORD
LINDA BRIDGES
CLERK HUNT COUNTY TX
AUG -9 PM 2:09
EXHIBIT

ENVIRONMENTAL HEALTH SERVICE AGREEMENT

THE STATE OF TEXAS
COUNTY OF HUNT

This Agreement, made and entered into on the day and date last hereinafter written by and between the City of Lone Oak, hereinafter called "City" acting by and through its Mayor, being duly authorized by Resolution of the City Commission of the City of Lone Oak, Texas a copy of which is marked Exhibit A, attached hereto and made a part hereof as if copied herein verbatim and the Greenville-Hunt County Health Department, hereinafter referred to as "County" acting by and through its representative, being authorized by Resolution of the governing body of said entity, reference is made thereto for all purposes.

WITNESSETH, that the City and County, for the consideration stated herein mutually agree as follows:

I

County agrees and does hereby agree to perform the following services in and for the City of Lone Oak, Texas:

- A. Inspect food service establishments and temporary event vendors within the City of Lone Oak.
- B. Follow up on serious violations to determine if corrections are made in a timely manner and take appropriate legal action if corrections are not made.
- C. Perform licensing program by notifying each establishment of license expiration, or serious violation of regulations.
- D. Investigate complaints of a public health nature.
- E. Enforce Texas Food Establishment Rules (25TAC §§ 229.161 – 229.171, 229.173-229.175)
- F. Provide copies of files and records for each establishment to the City.

- G. Collect and control all fees, fines and service charges related to work performed by the Health Department.
- H. Perform responsibilities as designated representative pertaining to on-site sewage facilities and review of proposed subdivisions utilizing on-site sewage facilities.
- I. Inspect public swimming pools, nursing homes, day cares, school districts, and hospitals located within the city.

City agrees and does hereby agree to perform the following functions in order to assist the County in the performance of services for the City.

- A. Maintain files and records.
- B. Cooperate with and assist Health Department Personnel while performing duties in and for the City of Lone Oak.
- C. Submit for approval subdivision plans involving individual on-site sewage facilities for final disposal. Approval based on Texas Commission on Environmental Quality On-Site Sewage Facility Regulations.

The terms of this agreement is for a period of one (1) year, commencing on the 1st day of August 2010. This agreement shall automatically renew annually, unless canceled or modified at any time by either party hereto by giving written notice to the other party.

WITNESS OUR HANDS TO TRIPPLICATE COPIES, each of which shall have full force and dignity as an original, this 12th day of July, 2010.

ATTEST:

CITY OF LONE OAK, TEXAS

Laina Hubbs
City Secretary

Neil East
Mayor

(SEAL)



John H. [Signature]
HUNT COUNTY HEALTH DEPT.

Hunt County Judge

RESOLUTION NO. 3115-000

CITY OF QUINLAN, TEXAS

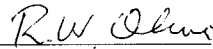
A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF QUINLAN, TEXAS, AUTHORIZING AN AGREEMENT BETWEEN THE CITY AND THE HEALTH DEPARTMENT OF HUNT COUNTY, TEXAS, PROVIDING FOR INSPECTION AND ENFORCEMENT OF STATE AND CITY PUBLIC FOOD SERVICE RULES AND REGULATIONS WITHIN THE CITY OF QUINLAN, PROVIDING FOR INSPECTION AND ENFORCEMENT OF TEXAS COMMISSION ON ENVIRONMENTAL QUALITY ON-SITE SEWAGE FACILITY REGULATIONS WITHIN THE CITY OF QUINLAN.

WHEREAS, it appearing to be in the best interest of the citizens of the City of Quinlan, Texas, and for the health and safety of the City's inhabitants and guests, that the City of Quinlan enter into an agreement with the Health Department of Hunt County, Texas, for inspection and enforcement of certain State and City food service rules and regulations and inspection and enforcement of Texas Commission on Environmental Quality on-site sewage facility regulations as they apply to facilities within the City Of Quinlan;


NOW, THEREFORE, BE IT RESOLVED BY THE CITY OF QUINLAN:

- 1) **THAT** the City of Quinlan, acting by and thru its duly elected Mayor, shall enter into a written agreement with Hunt County, Texas, providing for inspection and enforcement of State and City public food service rules and regulations and Texas Commission on Environmental Quality on-site sewage facility regulations within the City of Quinlan by the Hunt County Health Department, and providing for maintaining of proper records of such services, and for the collection of fees and sharing of costs of such services.
- 2) **THAT** such agreement shall be attached hereto and made a part hereof as if fully stated herein.

PASSED AND APPROVED in a meeting of the City Council of the City of Quinlan, Texas, held on the 12th day of July, 2010.


R.W. Oliver,
Mayor

ATTEST:


Victoria Raduechel,
City Secretary

FILED FOR RECORD
AUG 11 10 53 AM '10
CLERK OF COUNTY CLERK
HUNT COUNTY, TEXAS
10 AUG -9 PM 2:10

EXHIBIT 'A'

City of Quinlan
Deputy19 AUG - 9 PM 2: 10
FILED FOR RECORD
CLERK OF COUNTY CLERK'S
OFFICE COUNTY OF HUNT, TEXASENVIRONMENTAL HEALTH SERVICE AGREEMENT

THE STATE OF TEXAS

COUNTY OF HUNT

This Agreement, made and entered into on the day and date last hereinafter written by and between the City of Quinlan, hereinafter called "City" acting by and through its Mayor, being duly authorized by Resolution of the City Commission of the City of Quinlan, Texas a copy of which is marked Exhibit A, attached hereto and made a part hereof as if copied herein verbatim and the Greenville-Hunt County Health Department, hereinafter referred to as "County" acting by and through its representative, being authorized by Resolution of the governing body of said entity, reference is made thereto for all purposes.

WITNESSETH, that the City and County, for the consideration stated herein mutually agree as follows:

I

County agrees and does hereby agree to perform the following services in and for the City of Quinlan, Texas:

- A. Inspect food service establishments and temporary event vendors within the City of Quinlan.
- B. Follow up on serious violations to insure that suggested corrections are made in a timely manner and take appropriate legal action if necessary.
- C. Assist with licensing program for food service establishments.
- D. Investigate complaints of a public health nature.
- E. Enforce Texas Food Establishment Rules (25TAC §§ 229.161 – 229.171, 229.173-229.175)
- F. Provide copies of inspection reports, noting violations and corrections.
- G. Follow up on serious violations to determine if corrections are made in a timely manner and take appropriate legal action if corrections are not made.

- H. Perform responsibilities as designated representative pertaining to on-site sewage facilities and review of proposed subdivisions utilizing on-site sewage facilities.
- I. Collect all fees and permits related to on-site sewage facilities program.
- J. Inspect public swimming pools, nursing homes, day cares, school districts, and hospitals located within the City.

City agrees and does hereby agree to perform the following functions in order to assist the County in the performance of services for the City.

- A. Maintain files and records; notify each food service establishment of license expiration, or serious violation of regulations.
- B. Collect and control all fees, fines and service charges.
- C. Cooperate with and assist Health Department Personnel while performing duties in and for the City of Quinlan.
- D. Submit for approval subdivision plans involving individual on-site sewage facilities for final disposal. Approval based on Texas commission on Environmental Quality On-Site Sewage Facility Regulations.
- E. Contribute to the County of Hunt as fair and just compensation for duties performed in and for the City of Quinlan. Fees are set by the Hunt County Commissioner's Court pertaining to items listed under Counties obligations.

The terms of this agreement is for a period of one (1) year, commencing on the 1st day of August 2010. This agreement shall automatically renew annually, unless canceled or modified at any time by either party hereto by giving written notice to the other party.

WITNESS OUR HANDS TO TRIPLICATE COPIES, each of which shall have full force and dignity as an original, this 12th day of July, 2010.

ATTEST:

Ortona Raduechel
City Secretary

CITY OF QUINLAN, TEXAS

R. W. Olive
Mayor

(SEAL)

HUNT COUNTY HEALTH DEPT.

[Signature]
Hunt County Judge

RESOLUTION NO. 2010-10

FILED FOR RECORD
HUNT COUNTY CLERK
18 AUG -9 PM 2:10
BY: [Signature]
Deputy

A RESOLUTION OF THE UNION VALLEY CITY COUNCIL, UNION VALLEY, TEXAS SUPPORTING THE HUNT COUNTY ENVIRONMENTAL HEALTH SERVICE AGREEMENT

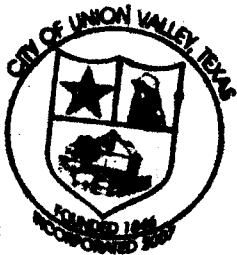
WHEREAS, the City of Union Valley understands the need for the services provided by the Greenville, Hunt County Health Service Department as our protector in times of need

WHEREAS, after and upon due consideration, The City of Union Valley, Texas does Hereby decree that the city will support the Hunt County Health Service Department benefiting the City of Union Valley, Texas.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY OF UNION VALLEY, UNION VALLEY, TEXAS, THAT, The citizens of the city will through the city council will support the Hunt County Environmental Health Service Agreement.

In the best interest of the citizens of the City, The City Council hereby requires that this resolution become effective immediately upon passage. This agreement is for a period of one (1) year, commencing on the 1st day of August 2010. This agreement shall automatically renew annually, unless canceled or modified at any time by either party hereto by giving written notice to the other party.

DULY PASSED AND APPROVED this 8th day of July 2010.



ATTEST:

Lou Anne Elliott

NAME: Lou Anne Elliott
City Secretary

Chris Elliott
Chris Elliott
Mayor
Craig Waskow
Craig Waskow
Commissioner #1
Jay Thompson
Jay Thompson
Commissioner #2

FILED FOR RECORD
TACOMA SERVICES
COUNTY OF HUNT, TEXAS
18 AUG -9 PM 2:10
EXHIBIT
BY [Signature]
COUNTY

ENVIRONMENTAL HEALTH SERVICE AGREEMENT

THE STATE OF TEXAS

COUNTY OF HUNT

This Agreement, made and entered into on the day and date last hereinafter written by and between the City of Union Valley, hereinafter called "City" acting by and through its Mayor, being duly authorized by Resolution of the City Commission of the City of Union Valley, Texas a copy of which is marked Exhibit A, attached hereto and made a part hereof as if copied herein verbatim and the Greenville-Hunt County Health Department, hereinafter referred to as "County" acting by and through its representative, being authorized by Resolution of the governing body of said entity, reference is made thereto for all purposes.

WITNESSETH, that the City and County, for the consideration stated herein mutually agree as follows:

I

County agrees and does hereby agree to perform the following services in and for the City of Union Valley, Texas:

- A. Inspect food service establishments and temporary event vendors within the City of Union Valley.
- B. Follow up on serious violations to determine if corrections are made in a timely manner and take appropriate legal action if corrections are not made.
- C. Perform licensing program by notifying each establishment of license expiration, or serious violation of regulations.
- D. Investigate complaints of a public health nature.
- E. Enforce Texas Food Establishment Rules (25TAC §§ 229.161 – 229.171, 229.173-229.175)
- F. Provide copies of files and records for each establishment to the City.

- G. Collect and control all fees, fines and service charges related to work performed by the Health Department.
- H. Perform responsibilities as designated representative pertaining to on-site sewage facilities and review of proposed subdivisions utilizing on-site sewage facilities.
- I. Inspect public swimming pools, nursing homes, day cares, school districts, and hospitals located within the city.

City agrees and does hereby agree to perform the following function in order to assist the County in the performance of services for the City.

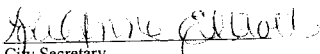
- A. Maintain files and records.
- B. Cooperate with and assist Health Department Personnel while performing duties in and for the City of Union Valley.
- C. Submit for approval subdivision plans involving individual on-site sewage facilities for final disposal. Approval based on Texas Commission on Environmental Quality On-Site Sewage Facility Regulations.

The terms of this agreement is for a period of one (1) year, commencing on the 1st day of August 2010. This agreement shall automatically renew annually, unless canceled or modified at any time by either party hereto by giving written notice to the other party.

WITNESS OUR HANDS TO TRIPPLICATE COPIES, each of which shall have full force and dignity as an original, this 8th day of July, 2010.

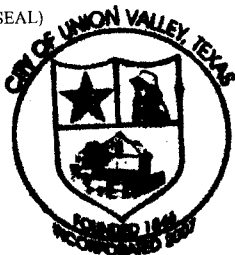
ATTEST:

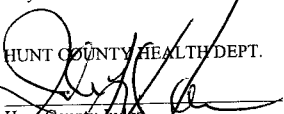
CITY OF UNION VALLEY, TEXAS


City Secretary


Mayor

(SEAL)




HUNT COUNTY HEALTH DEPT.
Hunt County Judge

RESOLUTION 282-6-22-2010

FILED FOR RECORD
BY [Signature]
DATE [Signature]
AUG - 9 PM 2:10
COUNTY CLERK HUNT CO. TX
EXHIBIT A

ENVIRONMENTAL HEALTH SERVICE AGREEMENT

THE STATE OF TEXAS

COUNTY OF HUNT

This Agreement, made and entered into on the day and date last hereinafter written by and between the City of West Tawakoni, hereinafter called "City" acting by and through its Mayor, being duly authorized by Resolution of the City Commission of the City of West Tawakoni, Texas a copy of which is marked Exhibit A, attached hereto and made a part hereof as if copied herein verbatim and the Greenville-Hunt County Health Department, hereinafter referred to as "County" acting by and through its representative, being authorized by Resolution of the governing body of said entity, reference is made thereto for all purposes.

WITNESSETH, that the City and County, for the consideration stated herein mutually agree as follows:

I

County agrees and does hereby agree to perform the following services in and for the City of West Tawakoni, Texas:

- A. Inspect food service establishments and temporary event vendors within the City of West Tawakoni.
- B. Follow up on serious violations to determine if corrections are made in a timely manner and take appropriate legal action if corrections are not made.
- C. Perform licensing program by notifying each establishment of license expiration, or serious violation of regulations.
- D. Investigate complaints of a public health nature.
- E. Enforce Texas Food Establishment Rules (25TAC §§ 229.161 – 229.171, 229.173-229.175)
- F. Provide copies of files and records for each establishment to the City.

- G. Collect and control all fees, fines and service charges related to work performed by the Health Department.
- H. Perform responsibilities as designated representative pertaining to on-site sewage facilities and review of proposed subdivisions utilizing on-site sewage facilities.
- I. Inspect public swimming pools, nursing homes, day cares, school districts, and hospitals located within the city.

City agrees and does hereby agree to perform the following functions in order to assist the County in the performance of services for the City.

- A. Maintain files and records.
- B. Cooperate with and assist Health Department Personnel while performing duties in and for the City of West Tawakoni.
- C. Submit for approval subdivision plans involving individual on-site sewage facilities for final disposal. Approval based on Texas Commission on Environmental Quality On-Site Sewage Facility Regulations.

The terms of this agreement is for a period of one (1) year, commencing on the 1st day of August 2010. This agreement shall automatically renew annually, unless canceled or modified at any time by either party hereto by giving written notice to the other party.

WITNESS OUR HANDS TO TRIPPLICATE COPIES, each of which shall have full force and dignity as an original, this 22 day of June, 2010.

ATTEST:

CITY OF WEST TAWAKONI, TEXAS

Susan Roberts
City Secretary

Pete Yelka
Mayor

(SEAL)

[Signature]
HUNT COUNTY HEALTH DEPT.
Hunt County Judge

EXHIBIT A

BY: *[Signature]*
DEPUTY

10 AUG - 9 PM 2:10

FILED FOR RECORD
CLERK OF COUNTY
HUNT CO. TXENVIRONMENTAL HEALTH SERVICE AGREEMENT

THE STATE OF TEXAS

COUNTY OF HUNT

This Agreement, made and entered into on the day and date last hereinafter written by and between the City of Wolfe City, hereinafter called "City" acting by and through its Mayor, being duly authorized by Resolution of the City Commission of the City of Wolfe City, Texas a copy of which is marked Exhibit A, attached hereto and made a part hereof as if copied herein verbatim and the Greenville-Hunt County Health Department, hereinafter referred to as "County" acting by and through its representative, being authorized by Resolution of the governing body of said entity, reference is made thereto for all purposes.

WITNESSETH, that the City and County, for the consideration stated herein mutually agree as follows:

I

County agrees and does hereby agree to perform the following services in and for the City of Wolfe City, Texas:

- A. Inspect food service establishments and temporary event vendors within the City of Wolfe City.
- B. Follow up on serious violations to insure that suggested corrections are made in a timely manner and take appropriate legal action if necessary.
- C. Assist with licensing program for food service establishments.
- D. Investigate complaints of a public health nature.
- E. Enforce Texas Food Establishment Rules (25TAC §§ 229.161 – 229.171, 229.173-229.175)
- F. Provide copies of inspection reports, noting violations and corrections.
- G. Follow up on serious violations to determine if corrections are made in a timely manner and take appropriate legal action if corrections are not made.

- H. Perform responsibilities as designated representative pertaining to on-site sewage facilities and review of proposed subdivisions utilizing on-site sewage facilities.
- I. Collect all fees and permits related to on-site sewage facilities program.
- J. Inspect public swimming pools, nursing homes, day cares, school districts, and hospitals located within the City.

City agrees and does hereby agree to perform the following functions in order to assist the County in the performance of services for the City.

- A. Maintain files and records; notify each food service establishment of license expiration, or serious violation of regulations.
- B. Collect and control all fees, fines and service charges.
- C. Cooperate with and assist Health Department Personnel while performing duties in and for the City of Wolfe City.
- D. Submit for approval subdivision plans involving individual on-site sewage facilities for final disposal. Approval based on Texas Commission on Environmental Quality On-Site Sewage Facility Regulations.
- E. Contribute to the County of Hunt as fair and just compensation for duties performed in and for the City of Wolfe City. Fees are set by the Hunt County Commissioner's Court pertaining to items listed under Counties obligations.

The terms of this agreement is for a period of one (1) year, commencing on the 1st day of August 2010. This agreement shall automatically renew annually, unless canceled or modified at any time by either party hereto by giving written notice to the other party.

WITNESS OUR HANDS TO TRIPPLICATE COPIES, each of which shall have full force and dignity as an original, this 21st day of June, 2010.

ATTEST:

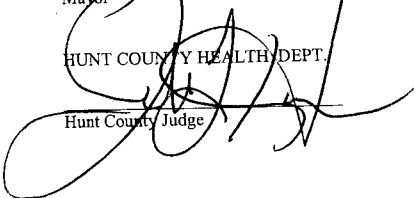

City Secretary

(SEAL)

CITY OF WOLFE CITY, TEXAS


Mayor

HUNT COUNTY HEALTH DEPT.


Hunt County Judge

1806-9 PH 2-07
BY: C. S. [Signature]
DEPUTY

DEPARTMENT OF STATE HEALTH SERVICES



11,627

This contract, number 2011-035743 (Contract), is entered into by and between the Department of State Health Services (DSHS or the Department), an agency of the State of Texas, and GREENVILLE-HUNT COUNTY HEALTH DEPARTMENT (Contractor), a Government Entity, (collectively, the Parties).

1. **Purpose of the Contract.** DSHS agrees to purchase, and Contractor agrees to provide, services or goods to the eligible populations as described in the Program Attachments.

2. **Total Amount of the Contract and Payment Method(s).** The total amount of this Contract is \$88,446.00, and the payment method(s) shall be as specified in the Program Attachments.

3. **Funding Obligation.** This Contract is contingent upon the continued availability of funding. If funds become unavailable through lack of appropriations, budget cuts, transfer of funds between programs or health and human services agencies, amendment to the Appropriations Act, health and human services agency consolidation, or any other disruptions of current appropriated funding for this Contract, DSHS may restrict, reduce, or terminate funding under this Contract.

4. **Term of the Contract.** This Contract begins on 09/01/2010 and ends on 08/31/2011. DSHS has the option, in its sole discretion, to renew the Contract as provided in each Program Attachment. DSHS is not responsible for payment under this Contract before both parties have signed the Contract or before the start date of the Contract, whichever is later.

5. **Authority.** DSHS enters into this Contract under the authority of Health and Safety Code, Chapter 1001.

6. **Documents Forming Contract.** The Contract consists of the following:

- a. Core Contract (this document)
- b. Program Attachments:

2011-035743-001 RLSS-LOCAL PUBLIC HEALTH SYSTEM

- c. General Provisions (Sub-recipient)
- d. Solicitation Document(s), and
- e. Contractor's response(s) to the Solicitation Document(s).
- f. Exhibits

Any changes made to the Contract, whether by edit or attachment, do not form part of the Contract unless expressly agreed to in writing by DSHS and Contractor and incorporated herein.

7. **Conflicting Terms.** In the event of conflicting terms among the documents forming this Contract, the order of control is first the Core Contract, then the Program Attachment(s), then the General Provisions, then the Solicitation Document, if any, and then Contractor's response to the Solicitation Document, if any.

8. **Payee.** The Parties agree that the following payee is entitled to receive payment for services rendered by Contractor or goods received under this Contract:

Name: HUNT COUNTY
Address: HUNT COUNTY HEALTH DEPARTMENT MEDICAL SERVICES
GREENVILLE, TX 75401
Vendor Identification Number: 17560010179022

9. **Entire Agreement.** The Parties acknowledge that this Contract is the entire agreement of the Parties and that there are no agreements or understandings, written or oral, between them with respect to the subject matter of this Contract, other than as set forth in this Contract.

By signing below, the Parties acknowledge that they have read the Contract and agree to its terms, and that the persons whose signatures appear below have the requisite authority to execute this Contract on behalf of the named party.

DEPARTMENT OF STATE HEALTH SERVICES

By: _____
Signature of Authorized Official

Date

Bob Burnette, C.P.M., CTPM

Director, Client Services Contracting Unit

1100 WEST 49TH STREET
AUSTIN, TEXAS 78756

(512) 458-7470

Bob.Burnette@dshs.state.tx.us

GREENVILLE-HUNT COUNTY HEALTH
DEPARTMENT

By: _____
Signature

Date

John Horn, Hunt County Judge
Printed Name and Title

PO Box 1097
Address

Greenville, Texas 75403-1097
City, State, Zip

903-408-4146
Telephone Number

E-mail Address for Official Correspondence

DOCUMENT NO. 2011-035743-
ATTACHMENT NO. 001
PURCHASE ORDER NO. 0000363927

CONTRACTOR: GREENVILLE-HUNT COUNTY HEALTH DEPARTMENT

DSHS PROGRAM: RLSS-LOCAL PUBLIC HEALTH SYSTEM

TERM: 09/01/2010 THRU: 08/31/2011

SECTION I. SCOPE OF WORK:

CONTRACTOR shall improve or strengthen local public health infrastructure within the State of Texas by:

- Developing objective(s) to address a public health issue;
- Utilizing resources provided through this contract Attachment to conduct activities and services that provide or support the delivery of essential public health services;
- Assessing, monitoring, and evaluating the essential public health activities and services provided through this Program Attachment; and
- Developing strategies to improve the delivery of essential public health service(s) to identified service area.

These tasks shall be performed in accordance with Department of State Health Services (DSHS) Division for Regional and Local Health Services Interlocal Application. The assessment and/or evaluation activities must include measurable standards. Acceptable standards include the National Public Health Performance Standards approved by the Centers for Disease Control and Prevention, Performance Standards developed by the Texas Association of Local Health Officials, Healthy People 2010, and any federal, state or local law or regulation governing the delivery of essential public health services. Other evaluation methods utilizing standards not listed in this Program Attachment must be pre-approved by DSHS.

CONTRACTOR shall comply with all applicable federal and state laws, rules, regulations and standards including, but not limited to, the following:

- Chapter 23-11 of the Healthy People 2010;
- Section 121.002, Texas Health & Safety Code, definition of ten essential public health services;
- Government Code, Section 403.1055, "Permanent Fund for Children and Public Health".

CONTRACTOR shall not use funds from the Permanent Fund for Children and Public Health for lobbying expenses under the Government Code, Section 403.1067.

CONTRACTOR shall comply with all applicable regulations, standards, and guidelines in effect on the beginning date of this Program Attachment.

DSHS shall inform CONTRACTOR in writing of any changes to applicable federal and state laws, rules, regulations, standards and guidelines. CONTRACTOR shall comply with the amended law, rule, regulation, standard or guideline except that CONTRACTOR shall inform DSHS Program in writing if it shall not continue performance under this contract Attachment within thirty (30) days of receipt of an amended standard(s) or guideline(s). DSHS may terminate the Program Attachment immediately or within a reasonable period of time as determined by DSHS.

SECTION II. PERFORMANCE MEASURES

CONTRACTOR shall complete the PERFORMANCE MEASURES as stated in the CONTRACTOR'S FY11 Local Public Health Service (LPHS) Service Delivery Plan, and as agreed upon by DSHS, hereby attached as Exhibit A.

CONTRACTOR shall provide activities and services as submitted by CONTRACTOR in the following county(ies)/area: Hunt

SECTION III. SOLICITATION DOCUMENT: Exempt – Governmental Entity

SECTION IV. RENEWALS: N/A

SECTION V. PAYMENT METHOD: Cost Reimbursement

SECTION VI. BILLING INSTRUCTIONS:

Contractor shall request payment using the State of Texas Purchase Voucher (Form B-13) and include acceptable supporting documentation of the required services/deliverables if indicated in the attached Exhibit A. Vouchers and supporting documentation can be faxed to Claims Processing Unit at (512) 458-7442. The email address is invoices@dshs.state.tx.us.

Invoices and supporting documentation shall be submitted to the following address:

Department of State Health Services
Fiscal Claims Processing Unit
P.O. Box 149347, MC 1940
Austin, Texas 78714-9147

SECTION VII. BUDGET:

SOURCE OF FUNDS: State and CFDA#93.991

SECTION VIII. SPECIAL PROVISIONS:

General Provisions, Section **1.03 Reporting** Article, are revised to include the following paragraph:

Contractor shall submit quarterly and final performance reports that describe progress toward achieving the objectives contained in approved Contractor's Service Delivery Plan and any written revisions. Contractor shall submit the performance reports by the end of the month following the end of each quarter, in a format to be provided by DSHS. Failure to submit a required report of additional requested information by the due date specified in the Program Attachment (s) or upon request constitutes breach of contract, may result in delay payment, and may adversely affect evaluation of Contractor's future contracting opportunities with the department. Reports should be sent electronically to: LocalPHTeam@dshs.state.tx.us or by facsimile to 512-458-7154. A copy of the report should be sent to the respective DSHS Health Service Region, Attention: Deputy Regional Director. The report signature page should be sent via mail to:

DSHS Regional and Local Health Services
Attn: Local Services Team
1100 West 49th Street
P.O. BOX 149347 MC1908
Austin, Texas, 78714-9347.

General Provisions, Section **4.05 Financial Status Reports (FSRs)**. Article is revised to include the following paragraph:

Contractor shall submit a copy of the quarterly FSRs to the Contract Management Unit in addition to Accounts Payable by the thirtieth calendar day of the month following the end of each quarter of the Program Attachment term for Program review. Reports should be sent electronically to: LocalPHTeam@dshs.state.tx.us, or may be sent via mail to DSHS Regional and Local Health Services – MC 1908, Attn: Local Services Team, 1100 West 49th Street, Austin, Texas, 78756, or by facsimile to 512-458-7154.

General Provisions, Section 12.01 **Responsibilities and Restrictions Concerning Governing Board, Officers and Employees**, is not applicable to this program Attachment.

EXHIBIT A

**Texas Department of State Health Services
Local Health Department: Greenville-Hunt County Health Department
FY 2011 Request for Local Public Health Services Funds
Project Service Delivery Plan
Contract Term: September 1, 2010 through August 31, 2011**

Indicate in this plan how requested Local Public Health Services (LPHS) contract funds will be used to address a public health issue through essential public health services. The plan should include a brief description of the public health issue(s) or public health program to be addressed by LPHS funded staff, and measurable objective(s) and activities for addressing the issue. List only public health issues/programs, objectives and activities conducted and supported by LPHS funded staff. List at least one objective and subsequent required information for each public health issue or public health program that will be addressed with these contract funds. The plan must also describe a clear method for evaluating the services that will be provided, including identification of a specific evaluation standard, as well as recommendations or plans for improving essential public health services delivery based on the results of the evaluation. Complete the table below for each public health issue or public health program addressed by LPHS funded staff. (Make additional copies of the table as needed)

Public Health Issue: *Briefly describe the public health issue to be addressed. Number issues if more than one issue will be addressed.*

- 1. Reduce cardiovascular, diseases thru training and education.**
- 2. Reduce the risk of food-borne diseases in food establishments.**
- 3. Provide non-vaccine preventable diseases reporting.**
- 4. Test, monitor, and distribute medication for tuberculosis.**
- 5. Provide Well Child and Head Start examinations.**
- 6. Protect the public from rabies thru rabies control program.**
- 7. Protect the public by inspecting public swimming pools.**
- 8. Protect the public thru developing a Pandemic Flu program.**

Essential Public Health Service(s): List the EPHS(s) that will be provided or supported with LPHS Contract funds

1. Inform, educate, and empower the community with respect to health issues. (EPHS #3)
Link Individuals who have a need for community and personal health services to appropriate community and private providers. (#7)
2. Enforce laws and rules that protect the public health and ensure safety in accordance with those laws and rules. (EPHS #6)
3. Inform, educate, and empower the community with respect to health issues. (EPHS #3)
Enforce laws and rules that protect the public health and ensure safety in accordance with those laws and rules. (EPHS #6)
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Enforce laws and rules that protect the public health and ensure safety in accordance with those laws and rules. (EPHS #6)
6. Enforce laws and rules that protect the public health and ensure safety in accordance with those laws and rules. (EPHS #6)
7. Enforce laws and rules that protect the public health and ensure safety in accordance with those laws and rules. (EPHS #6)
8. Develop policies and plans that support individual and community efforts to improve health. (EPHS #5)

Objective(s): List at least one measurable objective to be achieved with resources funded through this contract. Number all objectives to match issue being addressed. Ex: 1.1, 1.2, 2.1, 2.2, etc.)

- 1.1 Participate and promote local exercise events.
- 1.2 Promote during county fair week benefits of exercising and healthy eating.
- 2.1 Inspect all food establishments.
- 2.2 Respond to food establishment complaints.
- 2.3 Aid in food manager training.
- 3.1 Provide reporting to region office for non-preventable diseases.
- 4.1 Provide testing for tuberculosis.
- 4.2 Provide monitoring and medication for TB patients.
- 5.1 Provide Head Start and Well Child examinations.
- 6.1 Respond and enforce state laws for possible rabies exposures.
- 7.1 Inspect and enforce state laws for public pools.
- 8.1 Continue development of pandemic flu plan for Hunt County.

<p><i>Performance Measure: List the performance measure that will be used to determine if the objective has been met. List a performance measure for each objective listed above.</i></p>		
<p>1.1 Participate and promote local exercise events. 1.2 Promote during county fair week benefits of exercising and healthy eating. 2.1 Inspect all food establishments. 2.2 Respond to food establishment complaints. 2.3 Aid in food manager training. 3.1 Provide reporting to region office for non-preventable diseases. 4.1 Provide testing for tuberculosis. 4.2 Provide monitoring and medication for TB patients. 5.1 Provide Head Start and Well Child examinations. 6.1 Respond and enforce state laws for possible rabies exposures. 7.1 Inspect and enforce state laws for public pools. 8.1 Continue development of pandemic flu plan for Hunt County.</p>	<p>Evaluation and Improvement Plan <i>List the standard and describe how it is used to evaluate the activities conducted. This can be a local, state or federal guideline.</i></p> <p>1. The standard used is Healthy People 2,010. Public participation in activity will allow us to analysis and determine effectiveness of the event. The number of contacts made during the fair will determine the effectiveness of the event.</p> <p>2. Standard used will be federal, state, local regulations. Sanitarian will analyze data collected to identify food establishments with low scores and frequent areas of non-compliance. Assist in food manager training and collect data on number of participants and stress common areas of non-compliance in the industry.</p> <p>3. The standard used will be federal and state regulations for immunizations. Nurse will provide immunizations and based on participation from public the effectiveness of the program.</p>	<p><i>Deliverable Describe the tangible evidence that the activity was completed.</i></p> <p>1.1 Documentation of event sponsored, number of participants. 1.2 Documentation of contacts made.</p>
<p>Activities <i>List the activities conducted to meet the proposed objective. Use numbering system to designate match between issues/programs and objectives.</i></p> <p>1.1 Promote and participate in Walk Across Texas activities. 1.2 Conduct at the local county fair a booth which promotes health eating and exercise.</p> <p>2.1 Conduct routine food establishment inspections in all establishments in the county and cities contracted with. 2.2 Respond to all food establishment complaints within 24 hours or less. 2.3 Assist local extension office in promoting and conducting food manager training.</p> <p>3.1 Provide reporting to regional DSHS office for non-preventable diseases.</p>	<p>1. The standard used is Healthy People 2,010. Public participation in activity will allow us to analysis and determine effectiveness of the event. The number of contacts made during the fair will determine the effectiveness of the event.</p> <p>2. Standard used will be federal, state, local regulations. Sanitarian will analyze data collected to identify food establishments with low scores and frequent areas of non-compliance. Assist in food manager training and collect data on number of participants and stress common areas of non-compliance in the industry.</p> <p>3. The standard used will be federal and state regulations for immunizations. Nurse will provide immunizations and based on participation from public the effectiveness of the program.</p>	<p>1.1 Documentation of event sponsored, number of participants. 1.2 Documentation of contacts made.</p> <p>2.1 Documentation of inspection reports. 2.2 Complaint reports maintained with date and time received, and final findings. 2.3 Documentation of personnel taking the class, and sections that our taught by this department.</p> <p>3.1 Records maintained of each report.</p>

<p>4.1 Provide TB testing for the public.</p> <p>4.2 Provide monitoring and medication to positive TB patients and exposed patients.</p>	<p>4. The standard used will be federal and state regulations for TB control. The nurse will collect data on number of TB test performed and the results. Maintain a file on each patient being monitored and receiving medication.</p>	<p>4.1 Copy of record maintained for each individual tested.</p> <p>4.2 Medical record maintained for each individual receiving medication and being monitored.</p>
<p>5.1 Provide Head Start and Well Child exams in our office to the public.</p>	<p>5. The standard used will be federal and state regulations. Nurse will conduct exams and maintain records for each participant. Number of participants will determine effectiveness of program and areas for improvements.</p>	<p>5.1 Medical record kept on each patient seen for exams.</p>
<p>6.1 Enforce all animal bites and exposure cases quarantine requirements for rabies control program.</p>	<p>6. The standard used will be federal and state regulations. Sanitarian will analyze data collected from all bite and exposures. Enter data into a database for identify reoccurring problems and documentation.</p>	<p>6.1 Report generated for each bite or exposure case.</p>
<p>7.1 Perform inspections on public pools in the county and contracting cities.</p>	<p>7. The standards used will be federal and state regulations. Public pools are inspected and report of compliance recorded. Types of noncompliance are compared to see common problems and concerns of public health risks.</p>	<p>7.1 Report generated for each inspection conducted.</p>
<p>8.1 Develop and update of County pandemic flu plan.</p>	<p>8. Standards used will be federal and state regulations. Maintaining records of all meetings and participation with county and private sector. Documentation of the changes.</p>	<p>8.1 Documentation of attendance and topics discussed at meetings and changes/updates performed.</p>

Categorical Budget:

PERSONNEL	\$64,696.00
FRINGE BENEFITS	\$23,841.00
TRAVEL	\$0.00
EQUIPMENT	\$0.00
SUPPLIES	\$0.00
CONTRACTUAL	\$0.00
OTHER	\$0.00
TOTAL DIRECT CHARGES	\$88,446.00
INDIRECT CHARGES	\$0.00
TOTAL	\$88,446.00
DSHS SHARE	\$88,446.00
CONTRACTOR SHARE	\$0.00
OTHER MATCH	\$0.00

Total reimbursements will not exceed \$88,446.00

Financial status reports are due: 12/30/2010, 03/30/2011, 06/30/2011, 10/31/2011

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(Core/Subrecipient)

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ARTICLE I COMPLIANCE AND REPORTING

Section 1.01 **Compliance with Statutes and Rules.** Contractor shall comply, and shall require its subcontractor(s) to comply, with the requirements of the Department's rules of general applicability and other applicable state and federal statutes, regulations, rules, and executive orders, as such statutes, regulations, rules, and executive orders currently exist and as they may be lawfully amended. The Department rules are located in the Texas Administrative Code, Title 25 (Rules). To the extent this Contract imposes a higher standard, or additional requirements beyond those required by applicable statutes, regulations, rules or executive orders, the terms of this Contract will control. Contractor further agrees that, upon notification from DSHS, Contractor shall comply with the terms of any contract provisions DSHS is required to include in its contracts under legislation effective at the time of the effective date of this Contract or during the term of this Contract.

Section 1.02 **Compliance with Requirements of Solicitation Document.** Except as specified in these General Provisions or the Program Attachment(s), Contractor shall comply with the requirements, eligibility conditions, assurances, certifications and program requirements of the Solicitation Document, if any, (including any revised or additional terms agreed to in writing by Contractor and DSHS prior to execution of this Contract) for the duration of this Contract or any subsequent renewals. The Parties agree that the Department has relied upon Contractor's response to the Solicitation Document. The Parties agree that any misrepresentation contained in Contractor's response to the Solicitation Document constitutes a breach of this Contract.

Section 1.03 **Reporting.** Contractor shall submit reports in accordance with the reporting requirements established by the Department and shall provide any other information requested by the Department in the format required by DSHS. Failure to submit a required report or additional requested information by the due date specified in the Program Attachment(s) or upon request constitutes a breach of contract, may result in delayed payment and/or the imposition of sanctions and remedies, and, if appropriate, emergency action; and may adversely affect evaluation of Contractor's future contracting opportunities with the Department.

Section 1.04 **Client Financial Eligibility.** Where applicable, Contractor shall use financial eligibility criteria, financial assessment procedures and standards developed by the Department to determine client eligibility.

Section 1.05 **Applicable Contracts Law and Venue for Disputes.** Regarding all issues related to contract formation, performance, interpretation, and any issues that may arise in any dispute between the Parties, this Contract will be governed by, and construed in accordance with, the laws of the State of Texas. In the event of a dispute between the Parties, venue for any suit will be Travis County, Texas.

Section 1.06 **Applicable Laws and Regulations Regarding Funding Sources.** Where applicable, federal statutes and regulations, including federal grant requirements applicable to funding sources, will apply to this Contract. Contractor agrees to comply with applicable laws, executive orders, regulations and policies, as well as Office of Management and Budget (OMB) Circulars, the Uniform Grant and Contract Management Act of 1981 (UGMA), Tex. Gov. Code Chapter 783, and Uniform Grant Management Standards (UGMS), as revised by federal circulars and incorporated in UGMS by the Governor's Budget, Planning and Policy Division. UGMA and UGMS can be located through

web links on the DSHS website at <http://www.dshs.state.tx.us/contracts/links.shtm>. Contractor also shall comply with all applicable federal and state assurances contained in UGMS, Part III, State Uniform Administrative Requirements for Grants and Cooperative Agreements § __.14. If applicable, Contractor shall comply with the Federal awarding agency's Common Rule, and the U.S. Health and Human Services Grants Policy Statement, both of which may be located through weblinks on the DSHS website at <http://www.dshs.state.tx.us/contracts/links.shtm>. For contracts funded by block grants, Contractor shall comply with Tex. Gov. Code Chapter 2105.

Section 1.07 Statutes and Standards of General Applicability. Contractor is responsible for reviewing and complying with all applicable statutes, rules, regulations, executive orders and policies. To the extent applicable to Contractor, Contractor shall comply with the following:

- a) the following statutes, rules, regulations, and DSHS policy (and any of their subsequent amendments) that collectively prohibit discrimination on the basis of race, color, national origin, limited English proficiency, sex, sexual orientation (where applicable), disabilities, age, substance abuse, political belief or religion: 1) Title VI of the Civil Rights Act of 1964, 42 USC §§ 2000d et seq.; 2) Title IX of the Education Amendments of 1972, 20 USC §§ 1681-1683, and 1685-1686; 3) Section 504 of the Rehabilitation Act of 1973, 29 USC § 794(a); 4) the Americans with Disabilities Act of 1990, 42 USC §§ 12101 et seq.; 5) Age Discrimination Act of 1975, 42 USC §§ 6101-6107; 6) Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment and Rehabilitation Act of 1970, 42 USC § 290dd (b)(1); 7) 45 CFR Parts 80, 84, 86 and 91; 8) U.S. Department of Labor, Equal Employment Opportunity E.O. 11246; 9) Tex. Lab. Code Chapter 21; 10) Food Stamp Act of 1977 (7 USC § 200 et seq.; 11) Executive Order 13279, 45 CFR Part 87 or 7 CFR Part 16 regarding equal treatment and opportunity for religious organizations; and 12) DSHS Policy AA-5018, Non-discrimination Policy for DSHS Programs;
- b) Drug Abuse Office and Treatment Act of 1972, 21 USC §§ 1101 et seq., relating to drug abuse;
- c) Public Health Service Act of 1912, §§ 523 and 527, 42 USC § 290dd-2, and 42 CFR Part 2, relating to confidentiality of alcohol and drug abuse patient records;
- d) Title VIII of the Civil Rights Act of 1968, 42 USC §§ 3601 et seq., relating to nondiscrimination in housing;
- e) Immigration Reform and Control Act of 1986, 8 USC § 1324a, regarding employment verification;
- f) Pro-Children Act of 1994, 20 USC §§ 6081-6084, and the Pro-Children Act of 2001, 20 USC § 7183, regarding the non-use of all tobacco products;
- g) National Research Service Award Act of 1971, 42 USC §§ 289a-1 et seq., and 6601 (PL 93-348 and PL 103-43), regarding human subjects involved in research;
- h) Hatch Political Activity Act, 5 USC §§ 1501-1508 and 7321-26, which limits the political activity of employees whose employment is funded with federal funds;
- i) Fair Labor Standards Act, 29 USC §§ 201 et seq., and the Intergovernmental Personnel Act of 1970, 42 USC §§ 4701 et seq., as applicable, concerning minimum wage and maximum hours;
- j) Tex. Gov. Code Chapter 469, pertaining to eliminating architectural barriers for persons with disabilities;
- k) Texas Workers' Compensation Act, Tex. Lab. Code Chapters 401-406 and 28 Tex. Admin. Code Part 2, regarding compensation for employees' injuries;

- l) The Clinical Laboratory Improvement Amendments of 1988, 42 USC § 263a, regarding the regulation and certification of clinical laboratories;
- m) The Occupational Safety and Health Administration Regulations on Blood Borne Pathogens, 29 CFR § 1910.1030, or Title 25 Tex. Admin. Code Chapter 96 regarding safety standards for handling blood borne pathogens;
- n) Laboratory Animal Welfare Act of 1966, 7 USC §§ 2131 et seq., pertaining to the treatment of laboratory animals;
- o) environmental standards pursuant to the following: 1) Institution of environmental quality control measures under the National Environmental Policy Act of 1969, 42 USC §§ 4321-4347 and Executive Order 11514 (35 Fed. Reg. 4247), "Protection and Enhancement of Environmental Quality;" 2) Notification of violating facilities pursuant to Executive Order 11738 (40 CFR Part 32), "Providing for Administration of the Clean Air Act and the Federal Water Pollution Control Act with respect to Federal Contracts, Grants, or Loans;" 3) Protection of wetlands pursuant to Executive Order 11990, 42 Fed. Reg. 26961; 4) Evaluation of flood hazards in floodplains in accordance with Executive Order 11988, 42 Fed. Reg. 26951 and, if applicable, flood insurance purchase requirements of Section 102(a) of the Flood Disaster Protection Act of 1973 (PL 93-234); 5) Assurance of project consistency with the approved State Management program developed under the Coastal Zone Management Act of 1972, 16 USC §§ 1451 et seq.; 6) Federal Water Pollution Control Act, 33 USC § 1251 et seq.; 7) Protection of underground sources of drinking water under the Safe Drinking Water Act of 1974, 42 USC §§ 300f-300j; 8) Protection of endangered species under the Endangered Species Act of 1973, 16 USC §§ 1531 et seq.; 9) Conformity of federal actions to state clean air implementation plans under the Clean Air Act of 1955, 42 USC §§ 7401 et seq.; 10) Wild and Scenic Rivers Act of 1968 (16 USC §§ 1271 et seq.) related to protecting certain rivers system; and 11) Lead-Based Paint Poisoning Prevention Act (42 USC §§ 4801 et seq.) prohibiting the use of lead-based paint in residential construction or rehabilitation;
- p) Intergovernmental Personnel Act of 1970 (42 USC §§ 4278-4763) regarding personnel merit systems for programs specified in Appendix A of the federal Office of Program Management's Standards for a Merit System of Personnel Administration (5 CFR Part 900, Subpart F);
- q) Titles II and III of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (PL 91-646), relating to fair treatment of persons displaced or whose property is acquired as a result of Federal or federally-assisted programs;
- r) Davis-Bacon Act (40 USC §§ 276a to 276a-7), the Copeland Act (40 U.S.C. § 276c and 18 USC § 874), and the Contract Work Hours and Safety Standards Act (40 USC §§ 327-333), regarding labor standards for federally-assisted construction subagreements;
- s) National Historic Preservation Act of 1966, §106 (16 USC § 470), Executive Order 11593, and the Archaeological and Historic Preservation Act of 1974 (16 USC §§ 469a-1 et seq.) regarding historic property to the extent necessary to assist DSHS in complying with the Act;
- t) financial and compliance audits in accordance with Single Audit Act Amendments of 1996 and OMB Circular No. A-133, "Audits of States, Local Governments, and Non-Profit Organizations;"
- u) Trafficking Victims Protection Act of 2000, Section 106(g) (22 USC § 7104); and
- v) requirements of any other applicable state and federal statutes, executive orders, regulations, rules and policies.

If this Contract is funded by a grant or cooperative agreement, additional state or federal requirements found in the Notice of Grant Award are imposed on Contractor and incorporated herein by reference.

Section 1.08 Applicability of General Provisions to Interagency and Interlocal Contracts. Certain sections or portions of sections of these General Provisions will not apply to Contractors that are State agencies or units of local government; and certain additional provisions will apply to such Contractors.

- a) The following sections or portions of sections of these General Provisions will not apply to interagency or interlocal contracts:
 - 1) Hold Harmless and Indemnification, Section 13.19;
 - 2) Independent Contractor, Section 12.15 (delete the third sentence in its entirety; delete the word "employees" in the fourth sentence; the remainder of the section applies);
 - 3) Insurance, Section 12.03;
 - 4) Liability Coverage, Section 12.05;
 - 5) Fidelity Bond, Section 12.04;
 - 6) Historically Underutilized Businesses, Section 12.10 (Contractor, however, shall comply with HUB requirements of other statutes and rules specifically applicable to that entity);
 - 7) Debt to State and Corporate Status, Section 3.01;
 - 8) Application of Payment Due, Section 3.02; and
 - 9) Article XV Claims against the Department (This Article is inapplicable to interagency contracts only).
- b) The following additional provisions will apply to interagency contracts:
 - 1) This Contract is entered into pursuant to the authority granted and in compliance with the provisions of the Interagency Cooperation Act, Tex. Gov. Code Chapter 771;
 - 2) The Parties hereby certify that (1) the services specified are necessary and essential for the activities that are properly within the statutory functions and programs of the affected agencies of State government; (2) the proposed arrangements serve the interest of efficient and economical administration of the State government; and (3) the services, supplies or materials contracted for are not required by Section 21 of Article 16 of the Constitution of the State of Texas to be supplied under contract given to the lowest responsible bidder; and
 - 3) DSHS certifies that it has the authority to enter into this Contract granted in Tex. Health & Safety Code Chapter 1001, and Contractor certifies that it has specific statutory authority to enter into and perform this Contract.
- c) The following additional provisions will apply to interlocal contracts:
 - 1) This Contract is entered into pursuant to the authority granted and in compliance with the provisions of the Interlocal Cooperation Act, Tex. Gov. Code Chapter 791;
 - 2) Payments made by DSHS to Contractor will be from current revenues available to DSHS; and
 - 3) Each Party represents that it has been authorized to enter into this Contract.
- d) Contractor agrees that Contract Revision Requests (pursuant to the Contractor's Request for Revision to Certain Contract Provisions section), when signed by a duly authorized representative of Contractor, will be effective as of the effective date specified by the Department, whether that date is prior to or after the date of any ratification by Contractor's governing body.

Section 1.09 Civil Rights Policies and Complaints. Upon request, Contractor shall provide the Health and Human Services Commission (HHSC) Civil Rights Office with copies of all Contractor's civil rights policies and procedures. Contractor shall notify HHSC's Office of Civil Rights of any civil rights complaints received relating to performance under this Contract no more than ten (10) calendar days after Contractor's receipt of the claim. Notice must be directed to –

HHSC Civil Rights Office
701 W. 51st St., Mail Code W206
Austin, Texas 78751
Toll-free phone (888) 388-6332
Phone (512) 438-4313
TTY Toll-free (877) 432-7232
Fax (512) 438-5885

Section 1.10 Licenses, Certifications, Permits, Registrations and Approvals. Contractor shall obtain and maintain all applicable licenses, certifications, permits, registrations and approvals to conduct its business and to perform the services under this Contract. Failure to obtain or any revocation, surrender, expiration, non-renewal, inactivation or suspension of any such license, certification, permit, registration or approval constitutes grounds for termination of this Contract or other remedies the Department deems appropriate. Contractor shall ensure that all its employees, staff and volunteers obtain and maintain in active status all licenses, certifications, permits, registrations and approvals required to perform their duties under this Contract and shall prohibit any person who does not hold a current, active required license, certification, permit, registration or approval from performing services under this Contract.

ARTICLE II SERVICES

Section 2.01 Education to Persons in Residential Facilities. If applicable, Contractor shall ensure that all persons, who are housed in Department-licensed and/or -funded residential facilities and who are twenty-two (22) years of age or younger, have access to educational services as required by Tex. Educ. Code § 29.012. Contractor shall notify the local education agency or local early intervention program as prescribed by Tex. Educ. Code § 29.012 not later than the third calendar day after the date a person who is twenty-two (22) years of age or younger is placed in Contractor's residential facility.

Section 2.02 Disaster Services. In the event of a local, state, or federal emergency, including natural, man-made, criminal, terrorist, and/or bioterrorism events, declared as a state disaster by the Governor, or as a federal disaster by the appropriate federal official, Contractor may be called upon to assist DSHS in providing services, as appropriate, in the following areas: community evacuation; health and medical assistance; assessment of health and medical needs; health surveillance; medical care personnel; health and medical equipment and supplies; patient evacuation; in-hospital care and hospital facility status; food, drug, and medical device safety; worker health and safety; mental health and substance abuse; public health information; vector control and veterinary services; and victim identification and mortuary services. Contractor shall carry out disaster services in the manner most responsive to the needs of the emergency, be cost-effective, and be least intrusive on Contractor's primary services.

Section 2.03 Consent to Medical Care of a Minor. If Contractor provides medical, dental, psychological or surgical treatment to a minor under this Contract, either directly or through contracts

with subcontractors, Contractor shall not provide treatment of a minor unless informed consent to treatment is obtained pursuant to Tex. Fam. Code Chapter 32, relating to consent to treatment of a child by a non-parent or child or pursuant to other state law. If requirements of federal law relating to consent directly conflict with Tex. Fam. Code Chapter 32, federal law supersedes state law.

Section 2.04 Telemedicine Medical Services. Contractor shall ensure that if Contractor or its subcontractor uses telemedicine/telepsychiatry that the services are implemented in accordance with written procedures and using a protocol approved by Contractor's medical director and using equipment that complies with the equipment standards as required by the Department. Procedures for providing telemedicine service must include the following requirements:

- a) clinical oversight by Contractor's medical director or designated physician responsible for medical leadership;
- b) contraindication considerations for telemedicine use;
- c) qualified staff members to ensure the safety of the individual being served by telemedicine at the remote site;
- d) safeguards to ensure confidentiality and privacy in accordance with state and federal laws;
- e) use by credentialed licensed providers providing clinical care within the scope of their licenses;
- f) demonstrated competency in the operations of the system by all staff members who are involved in the operation of the system and provision of the services prior to initiating the protocol;
- g) priority in scheduling the system for clinical care of individuals;
- h) quality oversight and monitoring of satisfaction of the individuals served; and
- i) management of information and documentation for telemedicine services that ensures timely access to accurate information between the two sites.

Telemedicine Medical Services does not include chemical dependency treatment services provided by electronic means under Rule § 448.911.

Section 2.05 Fees for Personal Health Services. Contractor may develop a system and schedule of fees for personal health services in accordance with the provisions of Tex. Health & Safety Code § 12.032, DSHS Rule § 1.91 covering Fees for Personal Health Services, and other applicable laws or grant requirements. The amount of a fee must not exceed the actual cost of providing the services. No client may be denied a service due to inability to pay.

Section 2.06 Cost Effective Purchasing of Medications. If medications are funded under this Contract, Contractor shall make needed medications available to clients at the lowest possible prices and use the most cost effective medications purchasing arrangement possible.

Section 2.07 Services and Information for Persons with Limited English Proficiency. Contractor shall take reasonable steps to provide services and information, both orally and in writing, in appropriate languages other than English, to ensure that persons with limited English proficiency are effectively informed and can have meaningful access to programs, benefits, and activities. Contractor shall identify and document on the client records the primary language/dialect of a client who has limited English proficiency and the need for translation or interpretation services and shall not require a client to provide or pay for the services of a translator or interpreter. Contractor shall make every effort to avoid use of any persons under the age of eighteen (18) or any family member or friend of the client as an interpreter for essential communications with a client with limited English

proficiency, unless the client has requested that person and using the person would not compromise the effectiveness of services or violate the client's confidentiality and the client is advised that a free interpreter is available.

ARTICLE III FUNDING

Section 3.01 Debt to State and Corporate Status. Pursuant to Tex. Gov. Code § 403.055, the Department will not approve and the State Comptroller will not issue payment to Contractor if Contractor is indebted to the State for any reason, including a tax delinquency. Contractor, if a corporation, certifies by execution of this Contract that it is current and will remain current in its payment of franchise taxes to the State of Texas or that it is exempt from payment of franchise taxes under Texas law (Tex. Tax Code §§ 171.001 et seq.). Contractor, if a corporation, further certifies that it is and will remain in good standing with the Secretary of State's office. A false statement regarding franchise tax or corporate status is a material breach of this Contract. If franchise tax payments become delinquent during the Contract term, all or part of the payments under this Contract may be withheld until Contractor's delinquent franchise tax is paid in full.

Section 3.02 Application of Payment Due. Contractor agrees that any payments due under this Contract will be applied towards any debt of Contractor, including but not limited to delinquent taxes and child support that is owed to the State of Texas.

Section 3.03 Use of Funds. Contractor shall expend Department funds only for the provision of approved services and for reasonable and allowable expenses directly related to those services.

Section 3.04 Use for Match Prohibited. Contractor shall not use funds provided through this Contract for matching purposes in securing other funding unless directed or approved by the Department in writing.

Section 3.05 Program Income. Gross income directly generated from Department funds through a project or activity performed under a Program Attachment and/or earned only as a result of a Program Attachment during the term of the Program Attachment are considered program income. Unless otherwise required under the terms of the grant funding this Contract, Contractor shall use the addition alternative, as provided in UGMS § __.25(g)(2), for the use of program income to further the program objectives of the state or federal statute under which the Program Attachment was made, and Contractor shall spend the program income on the same Program Attachment project in which it was generated. Contractor shall identify and report this income in accordance with the Compliance and Reporting Article of these General Provisions, the Contractor's Financial Procedures Manual located at <http://www.dshs.state.tx.us/contracts/cfpm.shtml> and the provisions of the Program Attachment(s). Contractor shall expend program income during the Program Attachment term and may not carry forward to any succeeding term. Contractor shall refund program income not expended in the term in which it is earned to DSHS. DSHS may base future funding levels, in part, upon Contractor's proficiency in identifying, billing, collecting, and reporting program income, and in using it for the purposes and under the conditions specified in this Contract.

Section 3.06 Nonsupplanting. Contractor shall not supplant (i.e., use funds from this Contract to replace or substitute existing funding from other sources that also supports the activities that are the subject of this Contract) but rather shall use funds from this Contract to supplement existing state or

local funds currently available for a particular activity. Contractor shall make a good faith effort to maintain its current level of support. Contractor may be required to submit documentation substantiating that a reduction in state or local funding, if any, resulted for reasons other than receipt or expected receipt of funding under this Contract.

ARTICLE IV PAYMENT METHODS AND RESTRICTIONS

Section 4.01 Payment Methods. Except as otherwise provided by the provisions of the Program Attachment(s), the payment method for each Program Attachment will be one of the following methods:

- a) cost reimbursement. This payment method is based on an approved budget in the Program Attachment(s) and acceptable submission of a request for reimbursement; or
- b) unit rate/fee-for-service. This payment method is based on a fixed price or a specified rate(s) or fee(s) for delivery of a specified unit(s) of service, as stated in the Program Attachment(s) and acceptable submission of all required documentation, forms and/or reports.

Section 4.02 Billing Submission. Contractors shall bill the Department in accordance with the Program Attachment(s) in the form and format prescribed by DSHS. Unless otherwise specified in the Program Attachment(s) or permitted under the Third Party Payors section of this Article, Contractor shall submit requests for reimbursement or payment monthly within thirty (30) calendar days following the end of the month covered by the bill.

Section 4.03 Final Billing Submission. Unless otherwise provided by the Department, Contractor shall submit a reimbursement or payment request as a final close-out bill not later than sixty (60) calendar days following the end of the term of the Program Attachment for goods received and services rendered during the term. If necessary to meet this deadline, Contractor may submit reimbursement or payment requests by facsimile transmission. Reimbursement or payment requests received in DSHS's offices more than sixty (60) calendar days following the end of the applicable term will not be paid. Consideration of requests for an exception will be made on a case-by-case basis, subject to the availability of funding, and only for an extenuating circumstance, such as a catastrophic event, natural disaster, or criminal activity that substantially interferes with normal business operations or causes damage or destruction of a place of business and/or records. A written statement describing the extenuating circumstance and the last request for reimbursement must be submitted for review and approval to the DSHS Accounting Section.

Section 4.04 Working Capital Advance. If allowed under this Contract, a single one-time working capital advance per term of the Program Attachment may be granted at the Department's discretion. Contractor must submit documentation to the contract manager assigned to the Program Attachment to justify the need for a working capital advance. Contractor shall liquidate the working capital advance as directed by the Department. The requirements for the documentation justifying the need for an advance and the directions for liquidating the advance are found in the Contractor's Financial Procedures Manual located at <http://www.dshs.state.tx.us/contracts/cfpm.shtm>.

Section 4.05 Financial Status Reports (FSRs). Except as otherwise provided in these General Provisions or in the terms of the Program Attachment(s), for contracts with categorical budgets, Contractor shall submit quarterly FSRs to Accounts Payable by the thirtieth calendar day of the month following the end of each quarter of the Program Attachment term for Department review and

financial assessment. Contractor shall submit the final FSR no later than sixty (60) days following the end of the applicable term.

Section 4.06 Third Party Payors. A third party payor is any person or entity who has the legal responsibility for paying for all or part of the services provided. Third party payors include, but are not limited to, commercial health or liability insurance carriers, Medicaid, or other federal, state, local, and private funding sources. Except as provided in this Contract, Contractor shall screen all clients and shall not bill the Department for services eligible for reimbursement from third party payors. Contractor shall (a) enroll as a provider in Children's Health Insurance Program and Medicaid if providing approved services authorized under this Contract that may be covered by those programs, and bill those programs for the covered services; (b) provide assistance to individuals to enroll in such programs when the screening process indicates possible eligibility for such programs; (c) allow clients who are otherwise eligible for Department services, but cannot pay a deductible required by a third party payor, to receive services up to the amount of the deductible and to bill the Department for the deductible; (d) not bill the Department for any services eligible for third party reimbursement until all appeals to third party payors have been exhausted, in which case the thirty (30)-day requirement in the Billing Submission section will be extended until all such appeals have been exhausted; (e) maintain appropriate documentation from the third party payor reflecting attempts to obtain reimbursement; (f) bill all third party payors for services provided under this Contract before submitting any request for reimbursement to Department; and (g) provide third party billing functions at no cost to the client.

ARTICLE V TERMS AND CONDITIONS OF PAYMENT

Section 5.01 Prompt Payment. Upon receipt of a timely, undisputed invoice pursuant to this Contract, Department will pay Contractor. Payments and reimbursements are contingent upon a signed Contract and will not exceed the total amount of authorized funds under this Contract. Contractor is entitled to payment or reimbursement only if the service, work, and/or product has been authorized by the Department and performed or provided pursuant to this Contract. If those conditions are met, Department will make payment in accordance with the Texas prompt payment law (Tex. Gov. Code Chapter 2251). Contractor shall comply with Tex. Gov. Code Chapter 2251 regarding its prompt payment obligations to subcontractors. Payment of invoices by the Department will not constitute acceptance or approval of Contractor's performance, and all invoices and Contractor's performance are subject to audit or review by the Department.

Section 5.02 Withholding Payments. Department may withhold all or part of any payments to Contractor to offset reimbursement for any ineligible expenditures, disallowed costs, or overpayments that Contractor has not refunded to Department, or if financial status report(s) required by the Department are not submitted by the date(s) due. Department may take repayment (recoup) from funds available under this Contract in amounts necessary to fulfill Contractor's repayment obligations.

Section 5.03 Condition Precedent to Requesting Payment. Contractor shall disburse program income, rebates, refunds, contract settlements, audit recoveries, and interest earned on such funds before requesting cash payments including any advance payments from Department.

Section 5.04 **Acceptance as Payment in Full.** Except as permitted in the Fees for Personal Health Services section of the Services Article of these General Provisions or under 25 Tex. Admin. Code § 444.413, Contractor shall accept reimbursement or payment from DSHS as payment in full for services or goods provided to clients or participants, and Contractor shall not seek additional reimbursement or payment for services or goods from clients or participants or charge a fee or make a profit with respect to the Contract. A fee or profit is considered to be an amount in excess of actual allowable costs that are incurred in conducting an assistance program.

ARTICLE VI ALLOWABLE COSTS AND AUDIT REQUIREMENTS

Section 6.01 **Allowable Costs.** For services satisfactorily performed, and sufficiently documented, pursuant to this Contract, DSHS will reimburse Contractor for allowable costs. Contractor must have incurred a cost prior to claiming reimbursement and within the applicable term to be eligible for reimbursement under this Contract. DSHS will determine whether costs submitted by Contractor are allowable and eligible for reimbursement. If DSHS has paid funds to Contractor for unallowable or ineligible costs, DSHS will notify Contractor in writing, and Contractor shall return the funds to DSHS within thirty (30) calendar days of the date of this written notice. DSHS may withhold all or part of any payments to Contractor to offset reimbursement for any unallowable or ineligible expenditures that Contractor has not refunded to DSHS, or if financial status report(s) required under the Financial Status Reports section are not submitted by the due date(s). DSHS may take repayment (recoup) from funds available under this Contract in amounts necessary to fulfill Contractor's repayment obligations. Applicable cost principles, audit requirements, and administrative requirements include-

Applicable Entity	Applicable Cost Principles	Audit Requirements	Administrative Requirements
State, Local and Tribal Governments	OMB Circular A-87 (2 CFR, Part 225)	OMB Circular A-133 and UGMS	UGMS, OMB Circular A-102, and applicable Federal awarding agency common rule
Educational Institutions	OMB Circular A-21 (2 CFR, Part 220); and UGMS, as applicable	OMB Circular A-133	OMB Circular A-110 (2 CFR, Part 215) and applicable Federal awarding agency common rule; and UGMS, as applicable
Non-Profit Organizations	OMB Circular A-122 (2 CFR, Part 230)	OMB Circular A-133 and UGMS	UGMS; OMB Circular A-110 (2 CFR, Part 215) and applicable Federal awarding agency common rule
For-profit Organization other	48 CFR Part 31, Contract Cost	OMB Circular A-133 and UGMS	UGMS and applicable Federal awarding

than a hospital and an organization named in OMB Circular A-122 (2 CFR Part, 230) as not subject to that circular.	Principles Procedures, or uniform cost accounting standards that comply with cost principles acceptable to the federal or state awarding agency		agency common rule
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A chart of applicable Federal awarding agency common rules is located through a weblink on the DSHS website at <http://www.dshs.state.tx.us/contracts/links.shtm>. OMB Circulars will be applied with the modifications prescribed by UGMS with effect given to whichever provision imposes the more stringent requirement in the event of a conflict.

Section 6.02 Independent Single or Program-Specific Audit. If Contractor within Contractor's fiscal year expends a total amount of at least \$500,000 in federal funds awarded, Contractor shall have a single audit or program-specific audit in accordance with the Office of Management and Budget (OMB) Circ. No. A-133, the Single Audit Act of 1984, P L 98-502, 98 Stat. 2327, and the Single Audit Act Amendments of 1996, P L 104-156, 110 Stat. 1396. The \$500,000 federal threshold amount includes federal funds passed through by way of state agency awards. If Contractor within Contractor's fiscal year expends a total amount of at least \$500,000 in state funds awarded, Contractor must have a single audit or program-specific audit in accordance with UGMS, State of Texas Single Audit Circular. For-profit Contractors whose expenditures meet or exceed the federal and/or state expenditure thresholds stated above shall follow the guidelines in OMB Circular A-133 or UGMS, as applicable, for their program-specific audits. The HHSC Office of Inspector General (OIG) will notify Contractor to complete the Single Audit Determination Registration Form. If Contractor fails to complete the Single Audit Determination Form within thirty (30) calendar days after notification by OIG to do so, Contractor shall be subject to DSHS sanctions and remedies for non-compliance with this Contract. The audit must be conducted by an independent certified public accountant and in accordance with applicable OMB Circulars, Government Auditing Standards, and UGMS, which is accessible through a web link on the DSHS website at <http://www.dshs.state.tx.us/contracts/links.shtm>. Contractor shall procure audit services in compliance with this section, state procurement procedures, as well as with the provisions of UGMS. Contractor, unless Contractor is a state governmental entity, shall competitively re-procure independent single audit services at least every five (5) years. Incumbent audit firms may participate in the re-procurement process; however, Contractor shall not procure services of the same audit firm for more than ten (10) consecutive years and shall require that the audit firm limit the amount of time the lead or coordinating audit partner (having primary responsibility for the audit) conducts the independent audit to a maximum of five (5) years within a ten-year period. Contractor may request, in writing to the DSHS Contract Oversight and Support Section, an exception from lead partner rotation for years six (6) through ten (10) of a ten-year period if the audit firm has only one lead partner. If the request is approved, Contractor shall require the audit firm to provide certification annually for years six through ten that the audit firm has no more than one partner and shall require the audit firm to contract with an independent audit firm to perform a second partner review of the

single or program-specific audit work performed for Contractor. Procurement of audit services must comply with the procurement standards of 45 CFR Part 74 or 92, as applicable, including obtaining competition and making positive efforts to use small, minority-owned, and women-owned business enterprises.

Section 6.03 Submission of Audit. Within thirty (30) calendar days of receipt of the audit reports required by the Independent Single or Program-Specific Audit section, Contractor shall submit one copy to the Department's Contract Oversight and Support Section, and one copy to the OIG, at the following addresses:

Department of State Health Services
Contract Oversight and Support, Mail Code 1326
P.O. Box 149347
Austin, Texas 78714-9347

Health and Human Services Commission
Office of Inspector General
Compliance/Audit, Mail Code 1326
P.O. Box 85200
Austin, Texas 78708-5200

If Contractor fails to submit the audit report as required by the Independent Single or Program-Specific Audit section within thirty (30) calendar days of receipt by Contractor of an audit report, Contractor shall be subject to DSHS sanctions and remedies for non-compliance with this Contract.

ARTICLE VII CONFIDENTIALITY

Section 7.01 Maintenance of Confidentiality. Contractor must maintain the privacy and confidentiality of information and records received during or related to the performance of this Contract, including patient and client records that contain protected health information (PHI), and any other information that discloses confidential personal information or identifies any client served by DSHS, in accordance with applicable federal and state laws, rules and regulations, including but not limited to 7 CFR Part 246; 42 CFR Part 2; 45 CFR Parts 160 and 164 (Health Insurance Portability and Accountability Act [HIPAA]); Tex. Health & Safety Code Chapters 12, 47, 81, 82, 85, 88, 92, 161, 181, 241, 245, 251, 534, 576, 577, 596, 611, and 773; and Tex. Occ. Code Chapters 56 and 159 and all applicable rules and regulations.

Section 7.02 Department Access to PHI and Other Confidential Information. Contractor shall cooperate with Department to allow Department to request, collect and receive PHI and other confidential information under this Contract, without the consent of the individual to whom the PHI relates, for funding, payment and administration of the grant program, and for purposes permitted under applicable state and federal confidentiality and privacy laws.

Section 7.03 Exchange of Client-Identifying Information. Except as prohibited by other law, Contractor and DSHS shall exchange PHI without the consent of clients in accordance with 45 CFR § 164.504(e)(3)(i)(B), Tex. Health & Safety Code § 533.009 and Rule Chapter 414, Subchapter A or

other applicable laws or rules. Contractor shall disclose information described in Tex. Health & Safety Code § 614.017(a)(2) relating to special needs offenders, to an agency described in Tex. Health & Safety Code § 614.017(c) upon request of that agency, unless Contractor documents that the information is not allowed to be disclosed under 45 CFR Part 164 or other applicable law.

Section 7.04 Security of Patient or Client Records. Contractor shall maintain patient and client records in compliance with state and federal law relating to security and retention of medical or mental health and substance abuse patient and client records. Department may require Contractor to transfer original or copies of patient and client records to Department, without the consent or authorization of the patient or client, upon termination of this Contract or a Program Attachment to this Contract, as applicable, or if the care and treatment of the individual patient or client is transferred to another entity. Prior to providing services funded under this Contract to a patient or client, Contractor shall attempt to obtain consent from the patient or client to transfer copies of patient or client records to another entity funded by DSHS upon termination of this Contract or a Program Attachment to this Contract, as applicable, or if care or treatment is transferred to another DSHS-funded contractor.

Section 7.05 HIV/AIDS Model Workplace Guidelines. If providing direct client care, services, or programs, Contractor shall implement Department's policies based on the HIV/AIDS (human immunodeficiency virus/acquired immunodeficiency syndrome) Model Workplace Guidelines for Businesses, State Agencies, and State Contractors, Policy No. 090.021, and Contractor shall educate employees and clients concerning HIV and its related conditions, including AIDS, in accordance with the Tex. Health & Safety Code § 85.112-114. A link to the Model Workplace Guidelines can be found at <http://www.dshs.state.tx.us/hivstd/policy/policies.shtm>.

ARTICLE VIII RECORDS RETENTION

Section 8.01 Retention. Contractor shall retain records in accordance with applicable state and federal statutes, rules and regulations. At a minimum, Contractor shall retain and preserve all other records, including financial records that are generated or collected by Contractor under the provisions of this Contract, for a period of four (4) years after the termination of this Contract. If services are funded through Medicaid, the federal retention period, if more than four (4) years, will apply. Contractor shall retain all records pertaining to this Contract that are the subject of litigation or an audit until the litigation has ended or all questions pertaining to the audit are resolved. Legal requirements for Contractor may extend beyond the retention schedules established in this section. Contractor shall retain medical records in accordance with Tex. Admin. Code Title 22, Part 9, § 165.1(b) and (c) or other applicable statutes, rules and regulations governing medical information. Contractor shall include this provision concerning records retention in any subcontract it awards. If Contractor ceases business operations, it shall ensure that records relating to this Contract are securely stored and are accessible by the Department upon Department's request for at least four (4) years from the date Contractor ceases business or from the date this Contract terminates, whichever is sooner. Contractor shall provide the name and address of the party responsible for storage of records to the contract manager assigned to the Program Attachment.

ARTICLE IX ACCESS AND INSPECTION

Section 9.01 **Access.** In addition to any right of access arising by operation of law, Contractor, and any of Contractor's affiliate or subsidiary organizations or subcontractors shall permit the Department or any of its duly authorized representatives, as well as duly authorized federal, state or local authorities, including the Comptroller General of the United States, OIG, and the State Auditor's Office (SAO), unrestricted access to and the right to examine any site where business is conducted or client services are performed, and all records (including client and patient records, if any, and Contractor's personnel records and governing body personnel records), books, papers or documents related to this Contract; and the right to interview members of Contractor's governing body, staff, volunteers, participants and clients concerning the Contract, Contractor's business and client services. If deemed necessary by the Department or the OIG, for the purpose of investigation or hearing, Contractor shall produce original documents related to this Contract. The Department and HHSC will have the right to audit billings both before and after payment, and all documentation that substantiates the billings. Payments will not foreclose the right of Department and HHSC to recover excessive or illegal payments. Contractor shall make available to the Department information collected, assembled or maintained by Contractor relative to this Contract for the Department to respond to requests that it receives under the Public Information Act. Contractor shall include this provision concerning the right of access to, and examination of, sites and information related to this Contract in any subcontract it awards.

Section 9.02 **State Auditor's Office.** Contractor shall, upon request, make all records, books, papers, documents, or recordings related to this Contract available for inspection, audit, or reproduction during normal business hours to any authorized representative of the SAO. Contractor understands that the acceptance of funds under this Contract acts as acceptance of the authority of the SAO, or any successor agency, to conduct an audit or investigation in connection with those funds. Contractor shall cooperate fully with the SAO or its successor in the conduct of the audit or investigation, including providing all records requested, and providing access to any information the SAO considers relevant to the investigation or audit. The SAO's authority to audit funds will apply to Contract funds disbursed by Contractor to its subcontractors, and Contractor shall include this provision concerning the SAO's authority to audit and the requirement to cooperate, in any subcontract Contractor awards.

Section 9.03 **Responding to Deficiencies.** Any deficiencies identified by DSHS or HHSC upon examination of Contractor's records or during an inspection of Contractor's site(s) will be conveyed in writing to Contractor. Contractor shall submit, by the date prescribed by DSHS, a resolution to the deficiency identified in a site inspection, program review or management or financial audit to the satisfaction of DSHS or, if directed by DSHS, a corrective action plan to resolve the deficiency. A DSHS or HHSC determination of either an inadequate or inappropriate resolution of the findings may result in contract remedies or sanctions under the Breach of Contract and Remedies for Non-Compliance Article of these General Provisions.

ARTICLE X NOTICE REQUIREMENTS

Section 10.01 **Child Abuse Reporting Requirement.** This section applies to mental health and substance abuse contractors and contractors for the following public health programs: Human Immunodeficiency Virus/Sexually Transmitted Diseases (HIV/STD); Family Planning (Titles V, X and XX); Primary Health Care; Maternal and Child Health; and Women, Infants and Children (WIC)

Nutrition Services. Contractor shall make a good faith effort to comply with child abuse reporting guidelines and requirements in Tex. Fam. Code Chapter 261 relating to investigations of reports of child abuse and neglect. Contractor shall develop, implement and enforce a written policy that includes at a minimum the Department's Child Abuse Screening, Documenting, and Reporting Policy for Contractors/Providers and train all staff on reporting requirements. Contractor shall use the DSHS Child Abuse Reporting Form as required by the Department located at www.dshs.state.tx.us/childabusereporting. Contractor shall retain reporting documentation on site and make it available for inspection by DSHS.

Section 10.02 Significant Incidents. In addition to notifying the appropriate authorities, Contractor shall report to the contract manager assigned to the Program Attachment significant incidents involving substantial disruption of Contractor's program operation, or affecting or potentially affecting the health, safety or welfare of Department-funded clients or participants within seventy-two (72) hours of discovery.

Section 10.03 Litigation. Contractor shall notify the contract manager assigned to the Program Attachment of litigation related to or affecting this Contract and to which Contractor is a party within seven (7) calendar days of becoming aware of such a proceeding. This includes, but is not limited to an action, suit or proceeding before any court or governmental body, including environmental and civil rights matters, professional liability, and employee litigation. Notification must include the names of the parties, nature of the litigation and remedy sought, including amount of damages, if any.

Section 10.04 Action Against the Contractor. Contractor shall notify the contract manager assigned to the Program Attachment if Contractor has had a contract suspended or terminated for cause by any local, state or federal department or agency or nonprofit entity within three (3) working days of the suspension or termination. Such notification must include the reason for such action; the name and contact information of the local, state or federal department or agency or entity; the date of the contract; and the contract or case reference number. If Contractor, as an organization, has surrendered its license or has had its license suspended or revoked by any local, state or federal department or agency or non-profit entity, it shall disclose this information within three (3) working days of the surrender, suspension or revocation to the contract manager assigned to the Program Attachment by submitting a one-page description that includes the reason(s) for such action; the name and contact information of the local, state or federal department or agency or entity; the date of the license action; and a license or case reference number.

Section 10.05 Insolvency. Contractor shall notify in writing the contract manager assigned to the Program Attachment of Contractor's insolvency, incapacity, or outstanding unpaid obligations to the Internal Revenue Service (IRS) or Texas Workforce Commission (TWC) within three (3) working days of the date of determination that Contractor is insolvent or incapacitated, or the date Contractor discovered an unpaid obligation to the IRS or TWC. Contractor shall notify in writing the contract manager assigned to the Program Attachment of its plan to seek bankruptcy protection within three (3) working days of such action by Contractor's governing body.

Section 10.06 Misuse of Funds and Performance Malfeasance. Contractor shall report to the contract manager assigned to the Program Attachment, any knowledge of debarment, suspected fraud, program abuse, possible illegal expenditures, unlawful activity, or violation of financial laws, rules, policies, and procedures related to performance under this Contract. Contractor shall make

such report no later than three (3) working days from the date that Contractor has knowledge or reason to believe such activity has taken place. Additionally, if this Contract is federally funded by the Department of Health and Human Services (HHS), Contractor shall report any credible evidence that a principal, employee, subcontractor or agent of Contractor, or any other person, has submitted a false claim under the False Claims Act or has committed a criminal or civil violation of laws pertaining to fraud, conflict of interest, bribery, gratuity, or similar misconduct involving those funds. Contractor shall make this report to the HHS Office of Inspector General at <http://www.oig.hhs.gov/fraud/hotline/> no later than three (3) working days from the date that Contractor has knowledge or reason to believe such activity has taken place.

Section 10.07 Criminal Activity and Disciplinary Action. Contractor affirms that no person who has an ownership or controlling interest in the organization or who is an agent or managing employee of the organization has been placed on community supervision, received deferred adjudication, is presently indicted for or has been convicted of a criminal offense related to any financial matter, federal or state program or felony sex crime. Contractor shall notify in writing the contract manager assigned to the Program Attachment if it has reason to believe Contractor, or a person with ownership or controlling interest in the organization or who is an agent or managing employee of the organization, an employee or volunteer of Contractor, or a subcontractor providing services under this Contract has engaged in any activity that would constitute a criminal offense equal to or greater than a Class A misdemeanor or if such activity would reasonably constitute grounds for disciplinary action by a state or federal regulatory authority, or has been placed on community supervision, received deferred adjudication, or been indicted for or convicted of a criminal offense relating to involvement in any financial matter, federal or state program or felony sex crime. Contractor shall make the reports required by this section no later than three (3) working days from the date that Contractor has knowledge or reason to believe such activity has taken place. Contractor shall not permit any person who engaged, or was alleged to have engaged, in an activity subject to reporting under this section to perform direct client services or have direct contact with clients, unless otherwise directed by DSHS.

Section 10.08 Retaliation Prohibited. Contractor shall not retaliate against any person who reports a violation of, or cooperates with an investigation regarding, any applicable law, rule, regulation or standard to the Department, another state agency, or any federal, state or local law enforcement official.

Section 10.09 Documentation. Contractor shall maintain appropriate documentation of all notices required under these General Provisions.

ARTICLE XI ASSURANCES AND CERTIFICATIONS

Section 11.01 Certification. Contractor certifies by execution of this Contract to the following:

- a) it is not disqualified under 2 CFR §376.935 or ineligible for participation in federal or state assistance programs;
- b) neither it, nor its principals, are presently debarred, suspended, proposed for debarment, declared ineligible, or excluded from participation in this transaction by any federal or state department or agency;

- c) it has not knowingly failed to pay a single substantial debt or a number of outstanding debts to a federal or state agency;
- d) it is not subject to an outstanding judgment in a suit against Contractor for collection of the balance of a debt;
- e) it is in good standing with all state and/or federal agencies that have a contracting or regulatory relationship with Contractor;
- f) that no person who has an ownership or controlling interest in Contractor or who is an agent or managing employee of Contractor has been convicted of a criminal offense related to involvement in any program established under Medicare, Medicaid, or a federal block grant;
- g) neither it, nor its principals have within the three(3)-year period preceding this Contract, has been convicted of or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a private or public (federal, state or local) transaction or contract under a private or public transaction, violation of federal or state antitrust statutes (including those proscribing price-fixing between competitors, allocation of customers between competitors and bid-rigging), or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements or false claims, tax evasion, obstruction of justice, receiving stolen property or any other offense indicating a lack of business integrity or business honesty that seriously and directly affects the present responsibility of Contractor or its principals;
- h) neither it, nor its principals is presently indicted or otherwise criminally or civilly charged by a governmental entity (federal, state or local) with the commission of any of the offenses enumerated in subsection g) of this section; and
- i) neither it, nor its principals within a three(3)-year period preceding this Contract has had one or more public transaction (federal, state or local) terminated for cause or default.

Contractor shall include the certifications in this Article, without modification (except as required to make applicable to the subcontract), in all subcontracts and solicitations for subcontracts. Where Contractor is unable to certify to any of the statements in this Article, Contractor shall submit an explanation to the contract manager assigned to the Program Attachment. If Contractor's status with respect to the items certified in this Article changes during the term of this Contract, Contractor shall immediately notify the contract manager assigned to the Program Attachment.

Section 11.02 Child Support Delinquencies. As required by Tex. Fam. Code § 231.006, a child support obligor who is more than thirty (30) calendar days delinquent in paying child support and a business entity in which the obligor is a sole proprietor, partner, shareholder, or owner with an ownership interest of at least twenty-five percent (25%) is not eligible to receive payments from state funds under a contract to provide property, materials, or services or receive a state-funded grant or loan. If applicable, Contractor shall maintain its eligibility to receive payments under this Contract, certifies that it is not ineligible to receive the payments specified in this Contract, and acknowledges that this Contract may be terminated and payment may be withheld if this certification is inaccurate.

Section 11.03 **Authorization.** Contractor certifies that it possesses legal authority to contract for the services described in this Contract and that a resolution, motion or similar action has been duly adopted or passed as an official act of Contractor's governing body, authorizing the binding of the organization under this Contract including all understandings and assurances contained in this Contract, and directing and authorizing the person identified as the authorized representative of Contractor to act in connection with this Contract and to provide such additional information as may be required.

Section 11.04 **Gifts and Benefits Prohibited.** Contractor certifies that it has not given, offered to give, nor intends to give at any time hereafter, any economic opportunity, present or future employment, gift, loan, gratuity, special discount, trip, favor, service or anything of monetary value to a DSHS or HHSC official or employee in connection with this Contract.

Section 11.05 **Ineligibility to Receive the Contract.** (a) Pursuant to Tex. Gov. Code § 2155.004 and federal law, Contractor is ineligible to receive this Contract if this Contract includes financial participation by a person who received compensation from DSHS to participate in developing, drafting or preparing the specifications, requirements, statement(s) of work or Solicitation Document on which this Contract is based. Contractor certifies that neither Contractor, nor its employees, nor anyone acting for Contractor has received compensation from DSHS for participation in the development, drafting or preparation of specifications, requirements or statement(s) of work for this Contract or in the Solicitation Document on which this Contract is based; (b) pursuant to Tex. Gov. Code §§ 2155.006 and 2261.053, Contractor is ineligible to receive this Contract, if Contractor or any person who would have financial participation in this Contract has been convicted of violating federal law, or been assessed a federal civil or administrative penalty, in connection with a contract awarded by the federal government for relief, recovery or reconstruction efforts as a result of Hurricanes Rita or Katrina or any other disaster occurring after September 24, 2005; (c) Contractor certifies that the individual or business entity named in this Contract is not ineligible to receive the specified Contract under Tex. Gov. Code §§ 2155.004, 2155.006 or 2261.053, and acknowledges that this Contract may be terminated and payment withheld if these certifications are inaccurate.

Section 11.06 **Antitrust.** Pursuant to 15 USC § 1, et seq. and Tex. Bus. & Comm. Code § 15.01, et seq. Contractor certifies that neither Contractor, nor anyone acting for Contractor has violated the antitrust laws of this state or federal antitrust laws, nor communicated directly or indirectly regarding a bid with any competitor or any other person engaged in Contractor's line of business for the purpose of substantially lessening competition in such line of business.

Section 11.07 **Initiation and Completion of Work.** Contractor certifies that it shall initiate and complete the work under this Contract within the applicable time frame prescribed in this Contract.

ARTICLE XII GENERAL BUSINESS OPERATIONS OF CONTRACTOR

Section 12.01 **Responsibilities and Restrictions Concerning Governing Body, Officers and Employees.** Contractor and its governing body shall bear full responsibility for the integrity of the fiscal and programmatic management of the organization. This provision applies to all organizations, including Section 501(c)(3) organizations as defined in the Internal Revenue Service Code as not-for-

profit organizations. Each member of Contractor's governing body shall be accountable for all funds and materials received from Department. The responsibility of Contractor's governing body shall also include accountability for compliance with Department Rules, policies, procedures, and applicable federal and state laws and regulations; and correction of fiscal and program deficiencies identified through self-evaluation and Department's monitoring processes. Further, Contractor's governing body shall ensure separation of powers, duties, and functions of governing body members and staff. Staff members, including the executive director, shall not serve as voting members of Contractor's governing body. No member of Contractor's governing body, or officer or employee of Contractor shall vote for, confirm or act to influence the employment, compensation or change in status of any person related within the second degree of affinity or the third degree of consanguinity (as defined in Tex. Gov. Code Chapter 573) to the member of the governing body or the officer or any employee authorized to employ or supervise such person. This prohibition does not prohibit the continued employment of a person who has been continuously employed for a period of two (2) years prior to the election, appointment or employment of the officer, employee, or governing body member related to such person in the prohibited degree. These restrictions also apply to the governing body, officers and employees of Contractor's subcontractors. Ignorance of any Contract provisions or other requirements contained or referred to in this Contract will not constitute a defense or basis for waiving or appealing such provisions or requirements.

Section 12.02 **Management and Control Systems.** Contractor shall comply with all the requirements of the Department's Contractor's Financial Procedures Manual, and any of its subsequent amendments, which is available at the Department's web site: <http://www.dshs.state.tx.us/contracts/cfpm.shtml>. Contractor shall maintain an appropriate contract administration system to ensure that all terms, conditions, and specifications are met. Contractor shall develop, implement, and maintain financial management and control systems that meet or exceed the requirements of UGMS and adhere to procedures detailed in Department's Contractor's Financial Procedures Manual. Those requirements and procedures include, at a minimum, the following:

- a) financial planning, including the development of budgets that adequately reflect all functions and resources necessary to carry out authorized activities and the adequate determination of costs;
- b) financial management systems that include accurate accounting records that are accessible and identify the source and application of funds provided under each Program Attachment of this Contract, and original source documentation substantiating that costs are specifically and solely allocable to the Program Attachment and are traceable from the transaction to the general ledger; and
- c) effective internal and budgetary controls; comparison of actual costs to budget; determination of reasonableness, allowableness, and allocability of costs; timely and appropriate audits and resolution of any findings; billing and collection policies; and a mechanism capable of billing and making reasonable efforts to collect from clients and third parties.

Section 12.03 **Insurance.** Contractor shall maintain insurance or other means of repairing or replacing assets purchased with Department funds. Contractor shall repair or replace with comparable equipment any such equipment not covered by insurance that is lost, stolen, damaged or destroyed. If any insured equipment purchased with DSHS funds is lost, stolen, damaged or destroyed, Contractor shall notify the contract manager assigned to the Program Attachment to obtain instructions whether to submit and pursue an insurance claim. Contractor shall use any insurance

proceeds to repair the equipment or replace the equipment with comparable equipment or remit the insurance proceeds to DSHS.

Section 12.04 Fidelity Bond. For the benefit of DSHS, Contractor is required to carry a fidelity bond or insurance coverage equal to the amount of funding provided under this Contract up to \$100,000 that covers each employee of Contractor handling funds under this Contract, including person(s) authorizing payment of such funds. The fidelity bond or insurance must provide for indemnification of losses occasioned by (1) any fraudulent or dishonest act or acts committed by any of Contractor's employees, either individually or in concert with others, and/or (2) failure of Contractor or any of its employees to perform faithfully his/her duties or to account properly for all monies and property received by virtue of his/her position or employment. The bond or insurance acquired under this section must include coverage for third party property and include DSHS as a loss payee or equivalent designation. Contractor shall notify, and obtain prior approval from, the DSHS Contract Oversight and Support Section before settling a claim on the fidelity bond or insurance.

Section 12.05 Liability Coverage. For the benefit of DSHS, Contractor shall also maintain liability insurance coverage, referred to in Tex. Gov. Code § 2261.102, as "director and officer liability coverage" or similar coverage for all persons in management or governing positions within Contractor's organization or with management or governing authority over Contractor's organization (collectively "responsible persons"). Contractor shall ensure that the policy includes Property of Others coverage with respect to funds and other property of the State related to this Contract, and includes DSHS as a loss payee on the policy. Contractor shall maintain copies of liability policies on site for inspection by DSHS and shall submit copies of policies to DSHS upon request. This section applies to entities that are organized as non-profit corporations under the Texas Non-Profit Corporation Act; for-profit corporations organized under the Texas Business Corporations Act; and any other legal entity. Contractor shall maintain liability insurance coverage in an amount not less than the total value of this Contract and that is sufficient to protect the interests of Department in the event an actionable act or omission by a responsible person damages Department's interests. Contractor shall notify, and obtain prior approval from, the DSHS Contract Oversight and Support Section before settling a claim on the insurance.

Section 12.06 Overtime Compensation. Except as provided in this section, Contractor shall not use any of the funds provided by this Contract to pay the premium portion of overtime. Contractor shall be responsible for any obligations of premium overtime pay due employees. Premium overtime pay is defined as any compensation paid to an individual in addition to the employee's normal rate of pay for hours worked in excess of normal working hours. Funds provided under this Contract may be used to pay the premium portion of overtime only under the following conditions: 1) with the prior written approval of DSHS; 2) temporarily, in the case of an emergency or an occasional operational bottleneck; 3) when employees are performing indirect functions, such as administration, maintenance, or accounting; 4) in performance of tests, laboratory procedures, or similar operations that are continuous in nature and cannot reasonably be interrupted or otherwise completed; or 5) when lower overall cost to DSHS will result.

Section 12.07 Program Site. Contractor shall provide services only in locations that are in compliance with all applicable local, state and federal zoning, building, health, fire, and safety standards.

Section 12.08 **Cost Allocation Plan.** Contractor shall submit a Cost Allocation Plan in the format provided in the Department's Contractor's Financial Procedures Manual to the Department's Contract Oversight and Support Section, at Mail Code 1326, P.O. Box 149347, Austin, Texas 78714-9347, or by email to <mailto:coscap@dshs.state.tx.us> no later than the 60th calendar day after the effective date of the Contract, except when a Contractor has a current Cost Allocation Plan on file with the Department. Contractor shall implement and follow the applicable Cost Allocation Plan. If Contractor's plan is the same as in the previous year, by signing this Contract, Contractor certifies that its current Cost Allocation Plan for the current year is the same as that submitted to DSHS for the previous year. If the Cost Allocation Plan changes during the Contract term, Contractor shall submit a new Cost Allocation Plan to the Contract Oversight and Support Section within thirty (30) calendar days after the effective date of the change. Cost Allocation Plans must comply with the guidelines provided in the Department's Contractor's Financial Procedures Manual located at <http://www.dshs.state.tx.us/contracts/cfpm.shtml>.

Section 12.09 **Employee/Volunteer Background Screening.** Contractor shall comply with employee/volunteer background screening standards established by the Department.

Section 12.10 **Historically Underutilized Businesses (HUBs).** If Contractor was not required to submit a HUB subcontracting plan and if subcontracting is permitted under this Program Attachment, Contractor is encouraged to make a good faith effort to consider subcontracting with HUBs in accordance with Tex. Gov. Code Chapter 2161 and 34 Tex. Admin. Code § 20.14 et seq. Contractors may obtain a list of HUBs at <http://www.window.state.tx.us/procurement/prog/hub>. If Contractor has filed a HUB subcontracting plan, the plan is incorporated by reference in this Contract. If Contractor desires to make a change in the plan, Contractor must obtain prior approval from the Department's HUB Coordinator of the revised plan before proposed changes will be effective under this Contract. Contractor shall make a good faith effort to subcontract with HUBs during the performance of this Contract and shall report HUB subcontract activity to the Department's HUB Coordinator by the 15th day of each month for the prior month's activity, if there was any such activity, in accordance with 34 Tex. Admin. Code § 20.16(c).

Section 12.11 **Buy Texas.** Contractor shall purchase products and materials produced in Texas when the products and materials are available at a price and time comparable to products and materials produced outside of Texas as required by Tex. Gov. Code § 2155.4441.

Section 12.12 **Contracts with Subrecipient and Vendor Subcontractors.** Contractor may enter into contracts with subrecipient subcontractors unless restricted or otherwise prohibited in a specific Program Attachment(s). Prior to entering into a subrecipient agreement equaling or exceeding \$100,000, Contractor shall obtain written approval from DSHS. Contractor shall establish written policies and procedures for procurement and monitoring of subcontracts and shall produce a subcontracting monitoring plan. Contractor shall monitor subrecipient subcontractors for both financial and programmatic performance and shall maintain pertinent records that must be available for inspection by DSHS. Contractor shall ensure that subcontractors are fully aware of the requirements placed upon them by state/federal statutes, rules, and regulations and by the provisions of this Contract.

Contracts with all subcontractors, whether vendor or subrecipient, must be in writing and include the following:

- a) name and address of all parties and the subcontractor's Vendor Identification Number (VIN);
- b) a detailed description of the services to be provided;
- c) measurable method and rate of payment and total not-to-exceed amount of the contract;
- d) clearly defined and executable termination clause; and
- e) beginning and ending dates that coincide with the dates of the applicable Program Attachment(s) or that cover a term within the beginning and ending dates of the applicable Program Attachment(s).

Contractor is responsible to DSHS for the performance of any subcontractor. Contractor shall not contract with a subcontractor, at any tier, that is debarred, suspended, or excluded from or ineligible for participation in federal assistance programs; or if the subcontractor would be ineligible under the following sections of these General Provisions: Ineligibility to Receive the Contract section (Assurances and Certifications Article); or the Conflict of Interest or Transactions Between Related Parties sections (General Terms Article).

Section 12.13 Status of Subcontractors. Contractor shall require all subcontractors to certify that they are not delinquent on any repayment agreements; have not had a required license or certification revoked; and have not had a contract terminated by the Department. Contractors shall further require that subcontractors certify that they have not voluntarily surrendered within the past three (3) years any license issued by the Department.

Section 12.14 Incorporation of Terms in Subrecipient Subcontracts. Contractor shall include in all its contracts with subrecipient subcontractors and solicitations for subrecipient subcontracts, without modification (except as required to make applicable to the subcontractor), (1) the certifications stated in the Assurances and Certifications Article; (2) the requirements in the Conflicts of Interest section and the Transaction Between Related Parties section of the General Terms Article; and (3) a provision granting to DSHS, SAO, OIG, and the Comptroller General of the United States, and any of their representatives, the right of access to inspect the work and the premises on which any work is performed, and the right to audit the subcontractor in accordance with the Access and Inspection Article in these General Provisions. Each subrecipient subcontract contract must also include a copy of these General Provisions and a copy of the Statement of Work and any other provisions in the Program Attachment(s) applicable to the subcontract. Contractor shall ensure that all written agreements with subrecipient subcontractors incorporate the terms of this Contract so that all terms, conditions, provisions, requirements, duties and liabilities under this Contract applicable to the services provided or activities conducted by a subcontractor are passed down to that subcontractor. No provision of this Contract creates privity of contract between DSHS and any subcontractor of Contractor.

Section 12.15 Independent Contractor. Contractor is an independent contractor. Contractor shall direct and be responsible for the performance of its employees, subcontractors, joint venture participants or agents. Contractor is not an agent or employee of the Department or the State of Texas for any purpose whatsoever. For purposes of this Contract, Contractor acknowledges that its employees, subcontractors, joint venture participants or agents will not be eligible for unemployment compensation from the Department or the State of Texas.

Section 12.16 Authority to Bind. The person or persons signing this Contract on behalf of Contractor, or representing themselves as signing this Contract on behalf of Contractor, warrant and

guarantee that they have been duly authorized by Contractor to execute this Contract for Contractor and to validly and legally bind Contractor to all of its terms.

Section 12.17 Tax Liability. Contractor shall comply with all state and federal tax laws and is solely responsible for filing all required state and federal tax forms and making all tax payments. If the Department discovers that Contractor has failed to remain current on a liability to the IRS, this Contract will be subject to remedies and sanctions under this Contract, including immediate termination at the Department's discretion. If the Contract is terminated under this section, the Department will not enter into a contract with Contractor for three (3) years from the date of termination.

Section 12.18 Notice of Organizational Change. Contractor shall submit written notice to the contract manager assigned to the Program Attachment within ten (10) business days of any change to the Contractor's name; contact information; key personnel, officer, director or partner; organizational structure, such as merger, acquisition or change in form of business; legal standing; or authority to do business in Texas. A change in Contractor's name and certain changes in organizational structure require an amendment to this Contract in accordance with the Amendments section of these General Provisions.

Section 12.19 Quality Management. Contractor shall comply with quality management requirements as directed by the Department.

Section 12.20 Equipment (Including Controlled Assets) Purchases. Equipment means an article of nonexpendable, tangible personal property having a useful lifetime of more than one year and an acquisition cost of \$5,000 or more, and "controlled assets." Controlled assets include firearms regardless of the acquisition cost, and the following assets with an acquisition cost of \$500 or more: desktop and laptop computers, non-portable printers and copiers, emergency management equipment, communication devices and systems, medical and laboratory equipment, and media equipment. Contractors on a cost reimbursement payment method shall inventory all equipment. If the purchase of equipment is approved in writing by the Department, Contractor shall initiate the purchase of that equipment in the first quarter of the Contract or Program Attachment term, as applicable. Failure to timely initiate the purchase of equipment may result in loss of availability of funds for the purchase of equipment. Requests to purchase previously approved equipment after the first quarter of the Program Attachment must be submitted to the contract manager assigned to the Program Attachment.

Section 12.21 Supplies. Supplies are defined as consumable items necessary to carry out the services under this Contract including medical supplies, drugs, janitorial supplies, office supplies, patient educational supplies, software, and any items of tangible personal property other than those defined as equipment above.

Section 12.22 Changes to Equipment List. All items of equipment purchased with funds under this Contract must be itemized in Contractor's equipment list as finally approved by the Department in the executed Contract. Any changes to the approved equipment list in the executed Contract must be approved in writing by Department prior to the purchase of equipment. Contractor shall submit to the contract manager assigned to the Program Attachment, a written description including complete product specifications and need justification prior to purchasing any item of unapproved equipment.

If approved, Department will acknowledge its approval by means of a written amendment or by written acceptance of Contractor's Contract Revision Request, as appropriate.

Section 12.23 Property Inventory and Protection of Assets. Contractor shall maintain an inventory of equipment and property described in the Other Intangible Property section of Article XIII and submit an annual cumulative report of the equipment and other property on Form GC-11 (Contractor's Property Inventory Report) to the Department's Contract Oversight and Support Section, Mail Code 1326, P.O. Box 149347, Austin, Texas 78714-9347, no later than October 15th of each year. The report is located on the DSHS website at <http://www.dshs.state.tx.us/contracts/forms.shtm>. Contractor shall maintain, repair, and protect assets under this Contract to assure their full availability and usefulness. If Contractor is indemnified, reimbursed, or otherwise compensated for any loss of, destruction of, or damage to the assets provided or obtained under this Contract, Contractor shall use the proceeds to repair or replace those assets.

Section 12.24 Bankruptcy. In the event of bankruptcy, Contractor shall sever Department property, equipment, and supplies in possession of Contractor from the bankruptcy, and title must revert to Department. If directed by DSHS, Contractor shall return all such property, equipment and supplies to DSHS. Contractor shall ensure that its subcontracts, if any, contain a specific provision requiring that in the event the subcontractor's bankruptcy, the subcontractor must sever Department property, equipment, and supplies in possession of the subcontractor from the bankruptcy, and title must revert to Department, who may require that the property, equipment and supplies be returned to DSHS.

Section 12.25 Title to Property. At the conclusion of the contractual relationship between the Department and Contractor, for any reason, title to any remaining equipment and supplies purchased with funds under this Contract reverts to Department. Title may be transferred to any other party designated by Department. The Department may, at its option and to the extent allowed by law, transfer the reversionary interest to such property to Contractor.

Section 12.26 Property Acquisitions. Department funds must not be used to purchase buildings or real property. Any costs related to the initial acquisition of the buildings or real property are not allowable.

Section 12.27 Disposition of Property. Contractor shall follow the procedures in the American Hospital Association's (AHA's) "Estimated Useful Lives of Depreciable Hospital Assets" in disposing, at any time during or after the Contract term, of equipment purchased with the Department funds, except when federal or state statutory requirements supersede or when the equipment requires licensure or registration by the state, or when the acquisition price of the equipment is equal to or greater than \$5,000. All other equipment not listed in the AHA reference (other than equipment that requires licensure or registration or that has an acquisition cost equal to or greater than \$5,000) will be controlled by the requirements of UGMS. If, prior to the end of the useful life, any item of equipment is no longer needed to perform services under this Contract, or becomes inoperable, or if the equipment requires licensure or registration or had an acquisition price equal to or greater than \$5,000, Contractor shall request disposition approval and instructions in writing from the contract manager assigned to the Program Attachment. After an item reaches the end of its useful life, Contractor shall ensure that disposition of any equipment is in accordance with Generally Accepted Accounting Principles, and any applicable federal guidance.

Section 12.28 **Closeout of Equipment.** At the end of the term of a Program Attachment that has no additional renewals or that will not be renewed (Closeout) or when a Program Attachment is otherwise terminated, Contractor shall submit to the contract manager assigned to the Program Attachment, an inventory of equipment purchased with Department funds and request disposition instructions for such equipment. All equipment purchased with Department funds must be secured by Contractor at the time of Closeout or termination of the Program Attachment and must be disposed of according to the Department's disposition instructions, which may include return of the equipment to DSHS or transfer of possession to another DSHS contractor, at Contractor's expense.

Section 12.29 **Assets as Collateral Prohibited.** Contractors on a cost reimbursement payment method shall not encumber equipment purchased with Department funds without prior written approval from the Department.

ARTICLE XIII GENERAL TERMS

Section 13.01 **Assignment.** Contractor shall not transfer, assign, or sell its interest, in whole or in part, in this Contract, or in any equipment purchased with funds from this Contract, without the prior written consent of the Department.

Section 13.02 **Lobbying.** Contractor shall comply with Tex. Gov. Code § 556.0055, which prohibits contractors who receive state funds from using those funds to pay lobbying expenses. Further, Contractor shall not use funds paid under this Contract, either directly or indirectly, to support the enactment, repeal, modification, or adoption of any law, regulation or policy at any level of government, or to pay the salary or expenses of any person related to any activity designed to influence legislation, regulation, policy or appropriations pending before Congress or the state legislature, or for influencing or attempting to influence an officer or employee of any federal or state 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 contract or the extension, continuation, renewal, amendment, or modification of any contract (31 USC § 1352 and UGMS). If at any time this Contract exceeds \$100,000 of federal funds, Contractor shall file with the contract manager assigned to the Program Attachment a declaration containing the name of any registrant under the Lobbying Disclosure Act of 1995 who has made lobbying contacts on behalf of Contractor in connection with this Contract, a certification that none of the funds provided by Department have been or will be used for payment to lobbyists, and disclosure of the names of any and all registered lobbyists with whom Contractor has an agreement. Contractor shall file the declaration, certification, and disclosure at the time of application for this Contract; upon execution of this Contract unless Contractor previously filed a declaration, certification, or disclosure form in connection with the award; and at the end of each calendar quarter in which any event occurs that materially affects the accuracy of the information contained in any declaration, certification, or disclosure previously filed. Contractor shall require any person who requests or receives a subcontract to file the same declaration, certification, and disclosure with the contract manager assigned to the Program Attachment. Contractor shall also comply, as applicable, with the lobbying restrictions and requirements in OMB Circulars A-122 Attachment B paragraph 25; A-87 Attachment B section 27; A-110 section __, 27 and A-21 paragraphs 17 and 28. Contractor shall include this provision in any subcontracts.

Section 13.03 Conflict of Interest. Contractor represents to the Department that it and its - subcontractors, if any, do not have nor shall Contractor or its subcontractors knowingly acquire or retain, any financial or other interest that would conflict in any manner with the performance of their obligations under this Contract. Potential conflicts of interest include, but are not limited to, an existing or potential business or personal relationship between Contractor (or subcontractor), its principal (or a member of the principal's immediate family), or any affiliate or subcontractor and the Department or HHSC, their commissioners or employees, or any other entity or person involved in any way in any project that is the subject of this Contract. Contractor shall establish safeguards to prohibit employees and subcontractors and their employees from using their positions for a purpose that constitutes or presents the appearance of personal or organizational conflict of interest or personal gain. If, at any time during the term of this Contract, Contractor or any of its subcontractors has a conflict of interest or potential conflict of interest, Contractor shall disclose the actual or potential conflict of interest to the contract manager assigned to the Program Attachment within ten (10) days of when Contractor becomes aware of the existence of the actual or potential conflict of interest. Contractor shall require each of its subcontractors to report to Contractor any conflict of interest or potential conflict of interest the subcontractor has or may have within ten (10) days of when the subcontractor becomes aware of the actual or potential conflict of interest.

Section 13.04 Transactions Between Related Parties. Contractor shall identify and report to DSHS any transactions between Contractor and a related party that is part of the work that the Department is purchasing under this Contract before entering into the transaction or immediately upon discovery. Contractor shall submit to the contract manager assigned to the Program Attachment the name, address and telephone number of the related party, how the party is related to Contractor and the work the related party will perform under this Contract. A related party is a person or entity related to Contractor by blood or marriage, common ownership or any association that permits either to significantly influence or direct the actions or policies of the other. Contractor, for purposes of reporting transactions between related parties, includes the entity contracting with the Department under this Contract as well as the chief executive officer, chief financial officer and program director of Contractor. Contractor shall comply with Tex. Gov. Code Chapter 573. Contractor shall maintain records and supply any additional information requested by the Department, regarding a transaction between related parties, needed to enable the Department to determine the appropriateness of the transaction pursuant to applicable state or federal law, regulations or circulars, which may include 45 CFR part 74, OMB Circ. No. A-110, 2 CFR § 215.42, and UGMS.

Section 13.05 Intellectual Property. Tex. Health & Safety Code § 12.020 authorizes DSHS to protect intellectual property developed as a result of this Contract.

- a) "Intellectual property" means created property that may be protected under copyright, patent, or trademark/service mark law.
- b) For purposes of this Contract intellectual property prepared for DSHS use, or a work specially ordered or commissioned through a contract for DSHS use is "work made for hire." DSHS owns works made for hire unless it agrees otherwise by contract. To the extent that title and interest to any such work may not, by operation of law, vest in DSHS, or such work may not be considered a work made for hire, Contractor irrevocably assigns the rights, title and interest therein to DSHS. DSHS has the right to obtain and hold in its name any and all patents, copyrights, registrations or other such protections as may be appropriate to the subject matter, and any extensions and renewals thereof. Contractor shall give DSHS and the State of Texas, as well as any person designated by DSHS and the State of Texas, all assistance

- required to perfect the rights defined herein without charge or expense beyond those amounts payable to Contractor for goods provided or services rendered under this Contract.
- c) If federal funds are used to finance activities supported by this Contract that result in the production of intellectual property, the federal awarding agency reserves a royalty-free, nonexclusive, and irrevocable license to reproduce, publish, or otherwise use, and to authorize others to use, for federal government purposes (1) the copyright in any intellectual property developed under this Contract, including any subcontract; and (2) any rights of copyright to which a Contractor purchases ownership with contract funds. Contractor shall place an acknowledgment of federal awarding agency grant support and a disclaimer, as appropriate, on any publication written or published with such support and, if feasible, on any publication reporting the results of or describing a grant-supported activity. An acknowledgment must be to the effect that "This publication was made possible by grant number _____ from (federal awarding agency)" or "The project described was supported by grant number _____ from (federal awarding agency)" and "Its contents are solely the responsibility of the authors and do not necessarily represent the official views of the (federal awarding agency)."
 - d) If the terms of a federal grant award the copyright to Contractor, DSHS reserves a royalty-free, nonexclusive, worldwide and irrevocable license to reproduce, publish or otherwise use, and to authorize others to use, for DSHS, public health, and state governmental noncommercial purposes (1) the copyright, trademark, service mark, and/or patent on an invention, discovery, or improvement to any process, machine, manufacture, or composition of matter; products; technology; scientific information; trade secrets; and computer software, in any work developed under a grant, subgrant, or contract under a grant or subgrant; and (2) any rights of copyright, service or trade marks or patents to which a grantee, subgrantee or a Contractor purchases ownership with contract funds.
 - e) If the results of the contract performance are subject to copyright law, Contractor cannot publish those results without prior review and approval of DSHS. Contractor shall submit requests for review and approval to the contract manager assigned to the Program Attachment.

Section 13.06 Other Intangible Property. At the conclusion of the contractual relationship between Department and Contractor, for any reason, Department shall have the sole ownership rights and interest in all non-copyrightable intangible property that was developed, produced or obtained by Contractor as a specific requirement under this Contract or under any grant that funds this Contract, such as domain names, URLs, etc. Contractor shall inventory all such non-copyrightable intangible property. Contractor shall cooperate with Department and perform all actions necessary to transfer ownership of such property to the Department or its designee, or otherwise affirm Department's ownership rights and interest in such property. This provision will survive the termination or expiration of this Contract.

Section 13.07 Severability and Ambiguity. If any provision of this Contract is construed to be illegal or invalid, the illegal or invalid provision will be deemed stricken and deleted to the same extent and effect as if never incorporated, but all other provisions will continue. The Parties represent and agree that the language contained in this Contract is to be construed as jointly drafted, proposed and accepted.

Section 13.08 Legal Notice. Any notice required or permitted to be given by the provisions of this Contract will be deemed to have been received by a Party on the third business day after the date on

which it was mailed to the Party at the address specified by the Party to the other Party in writing or, if sent by certified mail, on the date of receipt.

Section 13.09 Successors. This Contract will be binding upon the Parties and their successors and assignees, except as expressly provided in this Contract.

Section 13.10 Headings. The articles and section headings used in this Contract are for convenience of reference only and will not be construed in any way to define, limit or describe the scope or intent of any provisions.

Section 13.11 Parties. The Parties represent to each other that they are entities fully familiar with transactions of the kind reflected by the contract documents, and are capable of understanding the terminology and meaning of their terms and conditions and of obtaining independent legal advice pertaining to this Contract.

Section 13.12 Survivability of Terms. Termination or expiration of this Contract or a Program Attachment for any reason will not release either Party from any liabilities or obligations in this Contract that (a) the Parties have expressly agreed will survive any such termination or expiration, or (b) remain to be performed or (c) by their nature would be intended to be applicable following any such termination or expiration.

Section 13.13 Direct Operation. At the Department's discretion, the Department may temporarily assume operations of a Contractor's program or programs funded under this Contract when the continued operation of the program by Contractor puts at risk the health or safety of clients and/or participants served by Contractor.

Section 13.14 Customer Service Information. If requested, Contractor shall supply such information as required by the Department to comply with the provisions of Tex. Gov. Code Chapter 2114 regarding Customer Service surveys.

Section 13.15 Amendment. The Parties agree that the Department may unilaterally reduce funds pursuant to the terms of this Contract without the written agreement of Contractor. All other amendments to this Contract must be in writing and agreed to by both Parties, except as otherwise specified in the Contractor's Notification of Change to Certain Contract Provisions section or the Contractor's Request for Revision to Certain Contract Provisions section of this Article. Contractor's request for certain budget revisions or other amendments must be submitted in writing, including a justification for the request, to the contract manager assigned to the Program Attachment; and if a budget revision or amendment is requested during the last quarter of the Contract or Program Attachment term, as applicable, Contractor's written justification must include a reason for the delay in making the request. Revision or other amendment requests may be granted at the discretion of DSHS. Except as otherwise provided in this Article, Contractor shall not perform or produce, and DSHS will not pay for the performance or production of, different or additional goods, services, work or products except pursuant to an amendment of this Contract that is executed in compliance with this section; and DSHS will not waive any term, covenant, or condition of this Contract unless by amendment or otherwise in compliance with this Article.

Section 13.16 Contractor's Notification of Change to Certain Contract Provisions. The following changes may be made to this Contract without a written amendment or the Department's prior approval:

- a) contractor's contact person and contact information;
- b) contact information for key personnel, as stated in Contractor's response to the Solicitation Document, if any;
- c) cumulative budget line item transfers that exceed 10% among direct cost categories, other than the equipment category, of cost reimbursement contract Program Attachments of less than \$100,000, provided that the total budget amount is unchanged;
- d) minor corrections or clarifications to the Contract language that in no way alter the scope of work, objectives or performance measures;
- e) a change in Contractor's share of the budget concerning non-DSHS funding other than program income and match, regardless of the amount of the change, provided that in changing the budget, Contractor is not supplanting DSHS funds; and
- f) a change to remove community sites, independent school districts or schools, in substance abuse Program Attachments in accordance with an Implementation Plan that must be submitted along with the notification of the change to the contract manager assigned to the Program Attachment.

Contractor within ten (10) calendar days shall notify in writing the contract manager assigned to the Program Attachment of any change enumerated in this section. The notification may be by letter, fax or email. Cumulative budget line item transfers of 10% or less among direct cost categories, other than equipment, of cost reimbursement contracts of any amount do not require written amendment or prior approval or notification.

Section 13.17 Contractor's Request for Revision of Certain Contract Provisions. A Contractor's Revision Request is an alternative method for amending certain specified provisions of this Contract that is initiated by Contractor, but must be approved by DSHS. The following amendments to this Contract may be made through a Contractor's Revision Request, rather than through the amendment process described in the Amendment section of this Article:

- a) cumulative budget line item transfers among direct cost categories, other than the equipment category, that exceed 10% of Program Attachments of \$100,000 or more, provided that the total budget amount is unchanged;
- b) line item transfer to other categories of funds for direct payment to trainees for training allowances;
- c) change in clinic hours or location;
- d) change in the equipment list substituting an item of equipment equivalent to an item of equipment on the approved budget;
- e) changes in the equipment category of a previously approved equipment budget (other than acquisition of additional equipment, which requires an amendment to this Contract); and
- f) changes specified in applicable OMB Circular cost principles as requiring prior approval, regardless of dollar threshold (e.g., foreign travel expenses, overtime premiums, membership fees); and
- g) changes to add community sites, independent school districts or schools, in substance abuse Program Attachments.

In order to request a revision of any of the enumerated provisions, Contractor shall obtain a Contract Revision Request form from the DSHS website available at

<http://www.dshs.state.tx.us/grants/forms.shtm>, and complete the form as directed by the Department. Two copies of the completed form must be signed by Contractor's representative who is authorized to sign contracts on behalf of Contractor, and both original, signed forms must be submitted to the contract manager assigned to the Program Attachment. Any approved revision will not be effective unless signed by the DSHS Director of the Client Services Contracting Unit. A separate Contractor Revision Request is required for each Program Attachment to be revised. Circumstances of a requested contract revision may indicate the need for an amendment described in the Amendment section of this Article rather than a contract revision amendment under this section.

Section 13.18 Immunity Not Waived. THE PARTIES EXPRESSLY AGREE THAT NO PROVISION OF THIS CONTRACT IS IN ANY WAY INTENDED TO CONSTITUTE A WAIVER BY DEPARTMENT OR THE STATE OF TEXAS OF ANY IMMUNITIES FROM SUIT OR FROM LIABILITY THAT DEPARTMENT OR THE STATE OF TEXAS MAY HAVE BY OPERATION OF LAW.

Section 13.19 Hold Harmless and Indemnification. Contractor, as an independent contractor, agrees to hold Department, the State of Texas, individual state employees and officers, and the federal government harmless and to indemnify them from any and all liability, suits, claims, losses, damages and judgments; and to pay all costs, fees, and damages to the extent that such costs, fees, and damages arise from performance or nonperformance of Contractor, its employees, subcontractors, joint venture participants or agents under this Contract.

Section 13.20 Waiver. Acceptance by either Party of partial performance or failure to complain of any action, non-action or default under this Contract will not constitute a waiver of either Party's rights under this Contract.

Section 13.21 Electronic and Information Resources Accessibility and Security Standards. As required by 1 Tex. Admin. Code Chapter 213, as a state agency, DSHS must procure products that comply with the State of Texas Accessibility requirements for Electronic and Information Resources specified in 1 Tex. Admin. Code Chapter 213 when such products are available in the commercial marketplace or when such products are developed in response to a procurement solicitation. If performance under this Contract includes the development, modification or maintenance of a website or other electronic and information resources for DSHS or for the public on behalf of DSHS, Contractor shall provide the Department of Information Resources (DIR) with the URL to its Voluntary Product Accessibility Template (VPAT) for reviewing compliance with the State of Texas Accessibility requirements (based on the federal standards established under Section 508 of the Rehabilitation Act), or indicate that the product/service accessibility information is available from the General Services Administration "Buy Accessible Wizard" (<http://www.buyaccessible.gov>). Contractors not listed with the "Buy Accessible Wizard" or supplying a URL to their VPAT must provide DIR with a report that addresses the same accessibility criteria in substantively the same format. Additional information regarding the "Buy Accessible Wizard" or obtaining a copy of the VPAT is located at <http://www.section508.gov/>. Contractor certifies that any network hardware or software purchased or provided under this Contract has undergone independent certification testing for known and relevant vulnerabilities, in accordance with rules adopted by DIR.

Section 13.22 **Force Majeure.** Neither Party will be liable for any failure or delay in performing all or some of its obligations, as applicable, under this Contract if such failure or delay is due to any cause beyond the reasonable control of such Party, including, but not limited to, extraordinarily severe weather, strikes, natural disasters, fire, civil disturbance, epidemic, war, court order, or acts of God. The existence of any such cause of delay or failure will extend the period of performance in the exercise of reasonable diligence until after the cause of the delay or failure has been removed and, if applicable, for any reasonable period of time thereafter required to resume performance. A Party, within a period of time reasonable under the circumstances, must inform the other by any reasonable method (phone, email, etc.) and, as soon as practicable, must submit written notice with proof of receipt, of the existence of a force majeure event or otherwise waive the right as a defense to non-performance.

Section 13.23 **Interim Contracts.** The Parties agree that the Contract and/or any of its Program Attachments will automatically continue as an "Interim Contract" beyond the expiration date of the term of the Contract or Program Attachment(s), as applicable, under the following circumstances: (1) on or shortly prior to the expiration date of the Contract or Program Attachment, there is a state of disaster declared by the Governor that affects the ability or resources of the DSHS contract or program staff managing the Contract to complete in a timely manner the extension, renewal, or other standard contract process for the Contract or Program Attachment; and (2) DSHS makes the determination in its sole discretion that an Interim Contract is appropriate under the circumstances. DSHS will notify Contractor promptly in writing if such a determination is made. The notice will specify whether DSHS is extending the Contract or Program Attachment for additional time for Contractor to perform or complete the previously contracted goods and services (with no new or additional funding) or is purchasing additional goods and services as described in the Program Attachment for the term of the Interim Contract, or both. The notice will include billing instructions and detailed information on how DSHS will fund the goods or services to be procured during the Interim Contract term. The Interim Contract will terminate thirty (30) days after the disaster declaration is terminated unless the Parties agree to a shorter period of time.

ARTICLE XIV BREACH OF CONTRACT AND REMEDIES FOR NON-COMPLIANCE

Section 14.01 **Actions Constituting Breach of Contract.** Actions or inactions that constitute breach of contract include, but are not limited to, the following:

- a) failure to properly provide the services and/or goods purchased under this Contract;
- b) failure to comply with any provision of this Contract, including failure to comply with all applicable statutes, rules or regulations;
- c) failure to pay refunds or penalties owed to the Department;
- d) failure to comply with a repayment agreement with the Department or agreed order issued by the Department;
- e) failure by Contractor to provide a full accounting of funds expended under this Contract;
- f) discovery of a material misrepresentation in any aspect of Contractor's application or response to the Solicitation Document;
- g) any misrepresentation in the assurances and certifications in Contractor's application or response to the Solicitation Document or in this Contract; or
- h) Contractor is on or is added to the Excluded Parties List System (EPLS).

Section 14.02 General Remedies and Sanctions. The Department will monitor Contractor for both programmatic and financial compliance. The remedies and sanctions in this section are available to the Department against Contractor and any entity that subcontracts with Contractor for provision of services or goods. HHSC OIG may investigate, audit and impose or recommend imposition of remedies or sanctions to Department for any breach of this Contract and may monitor Contractor for financial compliance. The Department may impose one or more remedies or sanctions for each item of noncompliance and will determine remedies or sanctions on a case-by-case basis. Contractor is responsible for complying with all of the terms of this Contract. The listing of or use of one or more of the remedies or sanctions in this section does not relieve Contractor of any obligations under this Contract. A state or federal statute, rule or regulation, or federal guideline will prevail over the provisions of this Article unless the statute, rule, regulation, or guideline can be read together with the provision(s) of this Article to give effect to both. If Contractor breaches this Contract by failing to comply with one or more of the terms of this Contract, including but not limited to compliance with applicable statutes, rules or regulations, the Department may take one or more of the following actions:

- a) terminate this Contract or a Program Attachment of this Contract as it relates to a specific program type. In the case of termination, the Department will inform Contractor of the termination no less than thirty (30) calendar days before the effective date of the termination in a notice of termination, except for circumstances that require immediate termination as described in the Emergency Action section of this Article. The notice of termination will state the effective date of the termination, the reasons for the termination, and, if applicable, alert Contractor of the opportunity to request a hearing on the termination pursuant to Tex. Gov. Code Chapter 2105 regarding administration of Block Grants. Contractor shall not make any claim for payment or reimbursement for services provided from the effective date of termination;
- b) suspend all or part of this Contract. Suspension is, depending on the context, either (1) the temporary withdrawal of Contractor's authority to obligate funds pending corrective action by Contractor or its subcontractor(s) or pending a decision to terminate or amend this Contract, or (2) an action taken by the Department to immediately exclude a person from participating in contract transactions for a period of time, pending completion of an investigation and such legal or debarment proceedings as may ensue. Contractor shall not bill DSHS for services performed during suspension, and Contractor's costs resulting from obligations incurred by Contractor during a suspension are not allowable unless expressly authorized by the notice of suspension;
- c) deny additional or future contracts with Contractor;
- d) reduce the funding amount for failure to 1) provide goods and services as described in this Contract or consistent with Contract performance expectations, 2) achieve or maintain the proposed level of service, 3) expend funds appropriately and at a rate that will make full use of the award, or 4) achieve local match, if required;
- e) disallow costs and credit for matching funds, if any, for all or part of the activities or action not in compliance;
- f) temporarily withhold cash payments. Temporarily withholding cash payments means the temporary withholding of a working capital advance, if applicable, or reimbursements or payments to Contractor for proper charges or obligations incurred, pending resolution of issues of noncompliance with conditions of this Contract or indebtedness to the United States or to the State of Texas;

- g) permanently withhold cash payments. Permanent withholding of cash payment means that Department retains funds billed by Contractor for (1) unallowable, undocumented, disputed, inaccurate, improper, or erroneous billings; (2) material failure to comply with Contract provisions; or (3) indebtedness to the United States or to the State of Texas;
- h) declare this Contract void upon the Department's determination that this Contract was obtained fraudulently or upon the Department's determination that this Contract was illegal or invalid from this Contract's inception and demand repayment of any funds paid under this Contract;
- i) request that Contractor be removed from the Centralized Master Bidders List (CMBL) or any other state bid list, and barred from participating in future contracting opportunities with the State of Texas;
- j) delay execution of a new contract or contract renewal with Contractor while other imposed or proposed sanctions are pending resolution;
- k) place Contractor on probation. Probation means that Contractor will be placed on accelerated monitoring for a period not to exceed six (6) months at which time items of noncompliance must be resolved or substantial improvement shown by Contractor. Accelerated monitoring means more frequent or more extensive monitoring will be performed by Department than would routinely be conducted;
- l) require Contractor to obtain technical or managerial assistance;
- m) establish additional prior approvals for expenditure of funds by Contractor;
- n) require additional or more detailed, financial and/or programmatic reports to be submitted by Contractor;
- o) demand repayment from Contractor when it is verified that Contractor has been overpaid, e.g., because of disallowed costs, payments not supported by proper documentation, improper billing or accounting practices, or failure to comply with Contract terms;
- p) pursue a claim for damages as a result of breach of contract;
- q) require Contractor to prohibit any employee or volunteer of Contractor from performing under this Contract or having direct contact with DSHS-funded clients or participants, or require removal of any employee, volunteer, officer or governing body member, if the employee, volunteer, officer or member of the governing body has been indicted or convicted of the misuse of state or federal funds, fraud or illegal acts that are in contravention to continued obligations under this Contract, as reasonably determined by DSHS;
- r) withhold any payments to Contractor to satisfy any recoupment, liquidated damages, match insufficiency, or any penalty (if the penalty is permitted by statute) imposed by DSHS, and take repayment from funds available under this Contract in amounts necessary to fulfill Contractor's payment or repayment obligations;
- s) reduce the Contract term;
- t) recoup improper payments when it is verified that Contractor has been overpaid, e.g., because of disallowed costs, payments not supported by proper documentation, improper billing or accounting practices or failure to comply with Contract terms;
- u) assess liquidated damages;
- v) demand repayment of an amount equal to the amount of any match Contractor failed to provide, as determined by DSHS;
- w) impose other remedies, sanctions or penalties permitted by statute.

Section 14.03 **Notice of Remedies or Sanctions.** Department will formally notify Contractor in writing when a remedy or sanction is imposed (with the exception of accelerated monitoring, which

may be unannounced), stating the nature of the remedies and sanction(s), the reasons for imposing them, the corrective actions, if any, that must be taken before the actions will be removed and the time allowed for completing the corrective actions, and the method, if any, of requesting reconsideration of the remedies and sanctions imposed. Other than in the case of repayment or recoupment, Contractor is required to file, within fifteen (15) calendar days of receipt of notice, a written response to Department acknowledging receipt of such notice. If requested by the Department, the written response must state how Contractor shall correct the noncompliance (corrective action plan) or demonstrate in writing that the findings on which the remedies or sanction(s) are based are either invalid or do not warrant the remedies or sanction(s). If Department determines that a remedy or sanction is warranted, unless the remedy or sanction is subject to review under a federal or state statute, regulation, rule, or guideline, Department's decision is final. Department will provide written notice to Contractor of Department's decision. If required by the Department, Contractor shall submit a corrective action plan for DSHS approval and take corrective action as stated in the approved corrective action plan. If DSHS determines that repayment is warranted, DSHS will issue a demand letter to Contractor for repayment. If full repayment is not received within the time limit stated in the demand letter, and if recoupment is available, DSHS will recoup the amount due to DSHS from funds otherwise due to Contractor under this Contract.

Section 14.04 Emergency Action. In an emergency, Department may immediately terminate or suspend all or part of this Contract, temporarily or permanently withhold cash payments, deny future contract awards, or delay contract execution by delivering written notice to Contractor, by any verifiable method, stating the reason for the emergency action. An "emergency" is defined as the following:

- a) Contractor is noncompliant and the noncompliance has a direct adverse effect on the public or client health, welfare or safety. The direct adverse effect may be programmatic or financial and may include failing to provide services, providing inadequate services, providing unnecessary services, or using resources so that the public or clients do not receive the benefits contemplated by the scope of work or performance measures; or
- b) Contractor is expending funds inappropriately.

Whether Contractor's conduct or noncompliance is an emergency will be determined by Department on a case-by-case basis and will be based upon the nature of the noncompliance or conduct.

ARTICLE XV CLAIMS AGAINST THE DEPARTMENT

Section 15.01 Breach of Contract Claim. The process for a breach of contract claim against the Department provided for in Tex. Gov. Code Chapter 2260 and implemented in Department Rules §§ 1.431-1.447 will be used by DSHS and Contractor to attempt to resolve any breach of contract claim against DSHS.

Section 15.02 Notice. Contractor's claims for breach of this Contract that the Parties cannot resolve in the ordinary course of business must be submitted to the negotiation process provided in Tex. Gov. Code Chapter 2260, subchapter B. To initiate the process, Contractor shall submit written notice, as required by subchapter B, to DSHS's Office of General Counsel. The notice must specifically state that the provisions of Chapter 2260, subchapter B, are being invoked. A copy of the notice must also be given to all other representatives of DSHS and Contractor. Subchapter B is a condition precedent to the filing of a contested case proceeding under Tex. Gov. Code Chapter 2260, subchapter C.

Section 15.03 **Sole Remedy.** The contested case process provided in Tex. Gov. Code Chapter 2260, subchapter C, is Contractor's sole and exclusive process for seeking a remedy for any and all alleged breaches of contract by DSHS if the Parties are unable to resolve their disputes under this Article.

Section 15.04 **Condition Precedent to Suit.** Compliance with the contested case process provided in Tex. Gov. Code Chapter 2260, subchapter C, is a condition precedent to seeking consent to sue from the Legislature under Tex. Civ. Prac. & Rem. Code Chapter 107. Neither the execution of this Contract by DSHS nor any other conduct of any representative of DSHS relating to this Contract will be considered a waiver of sovereign immunity to suit.

Section 15.05 **Performance Not Suspended.** Neither the occurrence of an event nor the pendency of a claim constitutes grounds for the suspension of performance by Contractor, in whole or in part.

ARTICLE XVI TERMINATION

Section 16.01 **Expiration of Contract or Program Attachment(s).** Except as provided in the Survivability of Terms section of the General Terms Article, Contractor's service obligations stated in each Program Attachment will end upon the expiration date of that Program Attachment unless extended or renewed by written amendment. Prior to completion of the term of all Program Attachments, all or a part of this Contract may be terminated with or without cause under this Article.

Section 16.02 **Effect of Termination.** Termination is the permanent withdrawal of Contractor's authority to obligate previously awarded funds before that authority would otherwise expire or the voluntary relinquishment by Contractor of the authority to obligate previously awarded funds. Contractor's costs resulting from obligations incurred by Contractor after termination of an award are not allowable unless expressly authorized by the notice of termination. Upon termination of this Contract or Program Attachment, as applicable, Contractor shall cooperate with DSHS to the fullest extent possible to ensure the orderly and safe transfer of responsibilities under this Contract or Program Attachment, as applicable, to DSHS or another entity designated by DSHS. Upon termination of all or part of this Contract, Department and Contractor will be discharged from any further obligation created under the applicable terms of this Contract or the Program Attachment, as applicable, except for the equitable settlement of the respective accrued interests or obligations incurred prior to termination and for Contractor's duty to cooperate with DSHS, and except as provided in the Survivability of Terms section of the General Terms Article. Termination does not, however, constitute a waiver of any remedies for breach of this Contract. In addition, Contractor's obligations to retain records and maintain confidentiality of information will survive this Contract.

Section 16.03 **Acts Not Constituting Termination.** Termination does not include the Department's (1) withdrawal of funds awarded on the basis of Contractor's underestimate of the unobligated balance in a prior period; (2) withdrawal of the unobligated balance at the expiration of the term of a program attachment; (3) refusal to extend a program attachment or award additional funds to make a competing or noncompeting continuation, renewal, extension, or supplemental award; (4) non-renewal of a contract or program attachment at Department's sole discretion; or (5) voiding of a contract upon determination that the award was obtained fraudulently, or was otherwise illegal or invalid from inception.

Section 16.04 Termination Without Cause.

- a) Either Party may terminate this Contract or a Program Attachment, as applicable, with at least thirty (30) calendar days prior written notice to the other Party, except that if Contractor seeks to terminate a Contract or Program Attachment that involves residential client services, Contractor shall give the Department at least ninety (90) calendar days prior written notice and shall submit a transition plan to ensure client services are not disrupted.
- b) The Parties may terminate this Contract or a Program Attachment by mutual agreement.
- c) Either Party may terminate this Contract or a Program Attachment with at least thirty (30) calendar days prior written notice to the other Party if funds become unavailable through lack of appropriations, budget cuts, transfer of funds between programs or health and human services agencies, amendments to the Appropriations Act, health and human services consolidations, or any disruption of current appropriated funding for this Contract or Program Attachment.
- d) Department may terminate this Contract or a Program Attachment immediately when, in the sole determination of Department, termination is in the best interest of the State of Texas.

Section 16.05 Termination For Cause. Either Party may terminate for material breach of this Contract with at least thirty (30) calendar days written notice to the other Party. Department may terminate this Contract, in whole or in part, for breach of contract or for any other conduct that jeopardizes the Contract objectives, by giving at least thirty (30) calendar days written notice to Contractor. Such conduct may include one or more of the following:

- a) Contractor has failed to adhere to any laws, ordinances, rules, regulations or orders of any public authority having jurisdiction;
- b) Contractor fails to communicate with Department or fails to allow its employees or those of its subcontractor to communicate with Department as necessary for the performance or oversight of this Contract;
- c) Contractor breaches a standard of confidentiality with respect to the services provided under this Contract;
- d) Department determines that Contractor is without sufficient personnel or resources to perform under this Contract or that Contractor is otherwise unable or unwilling to fulfill any of its requirements under this Contract or exercise adequate control over expenditures or assets;
- e) Department determines that Contractor, its agent or another representative offered or gave a gratuity (e.g., entertainment or gift) to an official or employee of DSHS or HHSC for the purpose of obtaining a contract or favorable treatment;
- f) Department determines that this Contract includes financial participation by a person who received compensation from DSHS to participate in developing, drafting or preparing the specifications, requirements or statement(s) of work or Solicitation Document on which this Contract is based in violation of Tex. Gov. Code § 2155.004; or Department determines that Contractor was ineligible to receive this Contract under Tex. Gov. Code §§ 2155.006 or 2261.053 related to certain disaster response contracts;
- g) Contractor appears to be financially unstable. Indicators of financial instability may include one or more of the following:
 - 1) Contractor fails to make payments;
 - 2) Contractor makes an assignment for the benefit of its creditors;
 - 3) Contractor admits in writing its inability to pay its debts generally as they become due;

- 4) if judgment for the payment of money in excess of \$50,000 (that is not covered by insurance) is rendered by any court or governmental body against Contractor, and Contractor does not (a) discharge the judgment, or (b) provide for its discharge in accordance with its terms, or (c) procure a stay of execution within thirty (30) calendar days from the date of entry of the judgment, or (d) if the execution is stayed, within the thirty (30)-day period or a longer period during which execution of the judgment has been stayed, appeal from the judgment and cause the execution to be stayed during such appeal while providing such reserves for the judgment as may be required under Generally Accepted Accounting Principles;
- 5) a writ or warrant of attachment or any similar process is issued by any court against all or any material portion of the property of Contractor, and such writ or warrant of attachment or any similar process is not released or bonded within thirty (30) calendar days after its issuance;
- 6) Contractor is adjudicated bankrupt or insolvent;
- 7) Contractor files a case under the Federal Bankruptcy Code or seeks relief under any provision of any bankruptcy, reorganization, arrangement, insolvency, readjustment of debt, dissolution, receivership or liquidation law of any jurisdiction then in effect, or consents to the filing of any case or petition against it under any such law;
- 8) any property or portion of the property of Contractor is sequestered by court order and the order remains in effect for more than thirty (30) calendar days after Contractor obtains knowledge of the sequestration;
- 9) a petition is filed against Contractor under any state reorganization, arrangement, insolvency, readjustment of debt, dissolution, receivership or liquidation law of any jurisdiction then in effect, and the petition is not dismissed within thirty (30) calendar days; or
- 10) Contractor consents to the appointment of a receiver, trustee, or liquidator of Contractor or of all or any part of its property;
- h) Contractor's management system does not meet the UGMS management standards; or
- i) Any required license, certification, permit, registration or approval required to conduct Contractor's business or to perform services under this Contract is not obtained or is revoked, is surrendered, expires, is not renewed, is inactivated or is suspended.

Section 16.06 **Notice of Termination.** Either Party may deliver written notice of intent to terminate by any verifiable method. If either Party gives notice of its intent to terminate all or a part of this Contract, Department and Contractor shall attempt to resolve any issues related to the anticipated termination in good faith during the notice period.

ARTICLE XVII VOID, SUSPENDED, AND TERMINATED CONTRACTS

Section 17.01 **Void Contracts.** Department may void this Contract upon determination that the award was obtained fraudulently or was otherwise illegal or invalid from its inception.

Section 17.02 **Effect of Void, Suspended, or Involuntarily Terminated Contract.** A Contractor who has been a party to a contract with DSHS that has been found to be void, or is suspended, or is terminated for cause is not eligible for expansion of current contracts, if any, or new contracts or renewals until, in the case of suspension or termination, the Department has determined that

Contractor has satisfactorily resolved the issues underlying the suspension or termination. Additionally, if this Contract is found to be void, any amount paid is subject to repayment.

Section 17.03 **Appeals Rights.** Pursuant to Tex. Gov. Code § 2105.302, after receiving notice from the Department of termination of a contract with DSHS funded by block grant funds, Contractor may request an administrative hearing under Tex. Gov. Code Chapter 2001.

ARTICLE XVIII CLOSEOUT

Section 18.01 **Cessation of Services At Closeout.** Upon expiration of this Contract or Program Attachment, as applicable, (and any renewals of this Contract or Program Attachment) on its own terms, Contractor shall cease services under this Contract or Program Attachment; and shall cooperate with DSHS to the fullest extent possible upon expiration or prior to expiration, as necessary, to ensure the orderly and safe transfer of responsibilities under this Contract to DSHS or another entity designated by DSHS. Upon receiving notice of Contract or Program Attachment termination or non-renewal, Contractor shall immediately begin to effect an orderly and safe transition of recipients of services to alternative service providers, as needed. Contractor also shall completely cease providing services under this Contract or Program Attachment by the date specified in the termination or non-renewal notice. Contractor shall not bill DSHS for services performed after termination or expiration of this Contract or Program Attachment, or incur any additional expenses once this Contract or Program Attachment is terminated or has expired. Upon termination, expiration (with no renewal) or non-renewal of this Contract or a Program Attachment, Contractor shall immediately initiate Closeout activities described in this Article.

Section 18.02 **Administrative Offset.** The Department has the right to administratively offset amounts owed by Contractor against billings.

Section 18.03 **Deadline for Closeout.** Contractor shall submit all financial, performance, and other Closeout reports required under this Contract within sixty (60) calendar days after the Contract or Program Attachment end date. Unless otherwise provided under the Final Billing Submission section of the Payment Methods and Restrictions Article, the Department is not liable for any claims that are not received within sixty (60) calendar days after the Contract or Program Attachment end date.

Section 18.04 **Payment of Refunds.** Any funds paid to Contractor in excess of the amount to which Contractor is finally determined to be entitled under the terms of this Contract constitute a debt to the Department and will result in a refund due, which Contractor shall pay within the time period established by the Department.

Section 18.05 **Disallowances and Adjustments.** The Closeout of this Contract or Program Attachment does not affect the Department's right to disallow costs and recover funds on the basis of a later audit or other review or Contractor's obligation to return any funds due as a result of later refunds, corrections, or other transactions.

PITNEY BOWES GLOBAL FINANCIAL SERVICES
STATE & LOCAL FAIR MARKET VALUE LEASE AGREEMENT

11,628

Agreement Number 155									

Your Business Information

HUNT COUNTY AUDITORS OFFICE ATTN: MICHELLE

Full Legal Name of Lessee	DBA Name of Lessee	Tax ID # (FEIN/TIN)
PO BOX 1097	GREENVILLE	TX 75403-1097
Billing Address: Street	City	State Zip+4
		00248213886
Billing Contact Name	Billing Contact Phone #	Billing CAN #
2507 LEE ST STE 107	GREENVILLE	TX 75401-4213
Installation Address (If different from billing address): Street	City	State Zip+4
		44116560200
Installation Contact Name	Installation Contact Phone #	Installation CAN #
Credit Card #	Name on card	Exp date Type of card
Tax exempt #	State tax (if applicable)	Fiscal period (from - to)

Your Business Needs

Qty	Business Solution Description	Check items to be included in customer's payment
	Mail Stream Solution - 1	Service Level Agreement
1	Connect+ 2000 Series	<input checked="" type="checkbox"/> Tier 1 - Provides repair and maintenance service for equipment, standard SLA
1	Connect+ Series Meter	<input type="checkbox"/> Tier 2 - Provides Standard SLA plus Training and printhead replacement
1	160/90 LPM Feature	<input type="checkbox"/> Tier 3 - Provides Tier 2 plus Guaranteed 4 Hour Response Time
1	15 lb Interfaced Weighing	<input type="checkbox"/> Software Maintenance (additional terms apply) - Provides remote updates & technical assistance
1	100 Dept Accounting	<input checked="" type="checkbox"/> Self-Guard® Subscription - Provides postal and carrier updates* * If you do not choose Self-Guard® protection with your lease, you will automatically receive updates at FBR's current rates.
1	Black Graphics Printing	<input checked="" type="checkbox"/> IntelliLink® Subscription/ Meter Rental - Provides simplified billing and accurate postage resets
1	Connect+ Mono Printer	(x) Value Based Services () Purchase Power® credit line
1	Black Graphics Upgrade	<input type="checkbox"/> Permit Mail Payment Service - Allows you to consolidate permit postage with metered postage under one account. As a permit mail user, we need USPS forms 8001, 8002, and 8003, along with the Permit Enrollment form, to activate your Permit Mail Payment service.
1	No Charge Black Graphics Upgrade	
1	High Res Apps Center	
1	Connect+ Drop Stacker	
	Additional items on following page	

RECEIVED FOR RECORDS
 PITNEY BOWES
 HUNT COUNTY, TX
 AUG-9 11:14 AM
 RECEIVED

Your Payment Plan


Number of months	Monthly amount	Billed Quarterly at*
First 48	\$505	\$1,515

- () Required advance check of \$() received
- () Tax exempt certificate attached
- Connect with color

*Does not include any applicable taxes.

Your Signature

You agree to be bound by all the terms and conditions of this Agreement, including those contained on page 2 and those located in the Pitney Bowes Terms, which are available at www.pb.com/terms (Version 04/10) and are incorporated by reference. The Lease will be binding on PBGFS only after PBGFS has completed its credit and documentation approval process and an authorized PBGFS employee signs below.

Signature	Date	
	August 9, 2010	
Print Name	Title	Email Address
Rodney Blackmon	037	
Account Rep	District Office	PBGFS Acceptance

**PITNEY BOWES GLOBAL FINANCIAL SERVICES
STATE & LOCAL FAIR MARKET VALUE LEASE AGREEMENT**

Agreement Number										

Your Business Information

HUNT COUNTY SHERIFF OFFICE

Full Legal Name of Lessee 2801 STUART ST	DBA Name of Lessee GREENVILLE	Tax ID # (FEIN/TIN) TX 75401-4889
Billing Address: Street	City	State Zip+4 19609580865
Billing Contact Name 2801 STUART ST	Billing Contact Phone # GREENVILLE	Billing CAN # TX 75401-4889
Installation Address (if different from billing address): Street	City	State Zip+4 19609580865
Installation Contact Name	Installation Contact Phone #	Installation CAN #
Credit Card #	Name on card	Exp date Type of card

Tax exempt #	State tax (if applicable)	Fiscal period (from - to)
--------------	---------------------------	---------------------------

Your Business Needs

Qty	Business Solution Description	
	Mail Stream Solution - 2	
1	Connect+ 2000 Series	<input checked="" type="checkbox"/> Tier 1 - Provides repair and maintenance service for equipment (Standard SLA)
1	Connect+ Series Meter	<input type="checkbox"/> Tier 2 - Provides Standard SLA plus Training and printed replacement
1	160/90 LPM Feature	<input type="checkbox"/> Tier 3 - Provides Tier 2 plus Guaranteed 4 Hour Response Time
1	15 lb Interfaced Weighing	<input type="checkbox"/> Software Maintenance (additional terms apply) - Provides revision updates & technical assistance
1	100 Dept Accounting	<input checked="" type="checkbox"/> Soft-Guard® Subscription - Provides postal and carrier updates If you do not choose Soft-Guard® protection with your lease, you will automatically receive updates at PB's current rates.
1	Black Graphics Printing	<input checked="" type="checkbox"/> IntelliLink® Subscription Meter Rental - Provides simplified billing and includes postage resets (x) Value Based Services () Purchase Power® credit line
1	Connect+ Mono Printer	<input type="checkbox"/> Permit Mail Payment Service - Allows you to consolidate permit postage with metered postage under one account. As a permit mail user, we need USPS forms 6001, 6002, and 6003, along with the Permit Enrollment form, to activate your Permit Mail Payment service.
1	Black Graphics Upgrade	
1	No Charge Black Graphics Upgrade	
1	High Res Apps Center	
1	Connect+ Drop Stacker	

Additional Items on following page

RECEIVED FOR RECORD
 PITNEY BOWES GLOBAL FINANCIAL SERVICES
 10 AUG - 9 AM 14
 BY [Signature]

Your Payment Plan

Number of months	Monthly amount	Billed Quarterly at*
First 48	\$505	\$1,515

- Required advance check of \$() received
- Tax exempt certificate attached
- Connect with color

*Does not include any applicable taxes

Your Signature

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Signature <i>[Handwritten Signature]</i>	Date <i>August 9, 2010</i>
Name John C. Henn	Title Hunt County Judge
Account Rep Rodney Blackmon	District Office 037
	PBGFS Acceptance

PITNEY BOWES GLOBAL FINANCIAL SERVICES
STATE & LOCAL FAIR MARKET VALUE LEASE AGREEMENT

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Agreement Number

Your Business Information

HUNT COUNTY TAX OFFICE

Full Legal Name of Lessee 2500 STONEWALL ST	DBA Name of Lessee GREENVILLE	Tax ID # (FEIN/TIN) TX 75401-4209
Billing Address: Street	City	State Zip+4 19609563861
Billing Contact Name 2500 STONEWALL ST	Billing Contact Phone # GREENVILLE	Billing CAN # TX 75401-4209
Installation Address (If different from billing address): Street	City	State Zip+4 19609563861
Installation Contact Name	Installation Contact Phone #	Installation CAN #
Credit Card #	Name on card	Exp date Type of card
Tax exempt #	State tax (if applicable)	Fiscal period (from - to)

Your Business Needs

Qty	Business Solution Description	Check items to be included in customer's payment
	Mall Stream Solution - 2	Service Level Agreement
1	Connect+ 2000 Series	<input checked="" type="checkbox"/> Tier 1 - Provides repair and maintenance service for equipment (Standard SLA)
1	Connect+ Series Meter	<input type="checkbox"/> Tier 2 - Provides Standard SLA plus Training and printhead replacement
1	160/90 LPM Feature	<input type="checkbox"/> Tier 3 - Provides Tier 2 plus Guaranteed 4 Hour Response Time
1	15 lb Interfaced Weighing	<input type="checkbox"/> Software Maintenance (additional terms apply) - Provides revision updates & technical assistance
1	100 Dept Accounting	<input checked="" type="checkbox"/> Soft-Guard® Subscription - Provides postal and carrier updates If you do not choose Soft-Guard® protection with your lease, you will automatically receive updates at PBG's current rates.
1	Black Graphics Printing	<input checked="" type="checkbox"/> Intelli-Link® Subscription/ Meter Rental - Provides simplified billing and includes postage resets
1	Connect+ Mono Printer	(x) Value Based Services () Purchase Power® credit line
1	Black Graphics Upgrade	<input type="checkbox"/> Permit Mail Payment Service - Allows you to consolidate permit postage with metered postage under one account. As a permit mail user, we need USPS forms 8001, 8002, and 8003, along with the Permit Enrollment form, to activate your Permit Mail Payment service.
1	No Charge Black Graphics Upgrade	
1	High Res Apps Center	
1	Connect+ Drop Stacker	
1	Additional Items on following page	

FULL FOR RECORD
 LINDA BROOKS, CLERK
 HUNT COUNTY, TEXAS
 AUG - 9 AM 11:17
 ORIGINAL

Your Payment Plan

Number of months	Monthly amount	Billed Quarterly at*
First 48	\$505	\$1,515

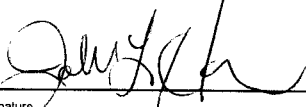
*Does not include any applicable taxes

() Required advance check of \$ () received
 () Tax exempt certificate attached

Connect with color

Your Signature

You agree to be bound by all the terms and conditions of this Agreement, including those contained on page 2 and those located in the Pitney Bowes Terms, which are available at www.pb.com/terms (Version 04/10) and are incorporated by reference. The Lease will be binding on PBGFS only after PBGFS has completed its credit and documentation approval process and an authorized PBGFS employee signs below.

Signature 	Date August 9, 2010
Print Name John L. Horn	Title Hunt County Judge
Rodney Blackmon	037
Account Rep	District Office PBGFS Acceptance

Diversified Power Systems, Inc.

158

900 N Walnut Creek Suite 100, #414, Mansfield, Texas 76063-7129
817-473-8600, 817-658-6743 Mobile, 817-473-8668 Fax

MAINTENANCE AGREEMENT

11,629

This Maintenance Agreement (the "Agreement") is entered into between Diversified Power Systems, Inc. ("Diversified") and Hunt County ("Customer") on the 1 day of August, 2010.

CUSTOMER BILLING ADDRESS

Hunt County Purchasing Department
Customer Name
P.O. Box 1097
Mailing Address
Greenville, Texas 75403-1097
City, State, Zip Code
Carl Nicholl 903-408-4292
Name and Telephone No. of Contact
Email: cnicholl@huntcounty.net

LOCATION OF CUSTOMER EQUIPMENT

Hunt County Juvenile Center
Name of Location
Physical Address
Greenville, Texas 75403
City, State, Zip Code
Jimmy Moore 903-408-4225
Name and Telephone No. of Contact
Email: jmoore@huntcounty.net

FILED FOR RECORD
 CLERK OF DISTRICT COURT
 10 AUG - 9 AM 11:47
 DEPUTY

Diversified agrees to furnish the services specified on Exhibit "A" for the equipment described below, which is located at the above address. Diversified agrees to perform these maintenance services in the frequency stated in this Agreement.

DESCRIPTION OF CUSTOMER EQUIPMENT			
Manufacturer	Type*	Model	Serial Number
RENEWAL 2010			
Onan	G	306-2452 Kw- 70	L830690696 Spec#

*G = Generator, T = Transfer Switch, O = Other

Frequency of Service
One Annual Pm service per our Exhibit A \$482.00
Three Quarterly inspection services per our exhibit A \$275.00 each 3 x \$275.00 = \$825.00
If load bank test required please call for quote
All other work will be billed on a time and material basis

PRICE OF SERVICES

The price of the services to be furnished to Customer during the first year of this Agreement shall be **\$1307.00**. This price does not include the cost of any replacement parts or additional services beyond those described in Exhibit "A," as well as any applicable taxes. After the first anniversary of the Agreement, prices are subject to change, and will be based upon Diversified's current prices. Customer will be invoiced based upon work performed. Payment is expected within thirty(30) days of invoice.

OTHER PROVISIONS

Diversified shall perform its services subject to the Terms and Conditions shown on the reverse side of this Agreement. This Agreement shall automatically renew on an annual basis commencing one year from the date of this Agreement unless Customer notifies Diversified that the Agreement is to be terminated.

Diversified Power Systems, Inc.
By: Ed Rogers email ed.rogers55@yahoo.com
Title: Preventive Maintenance Sales 817-658-6743
Date: August 2010

Customer
By: [Signature]
Title: John C. Moore Hunt County Judge
Date: August 9, 2010

Diversified Power Systems, Inc.

159

900 N Walnut Creek Suite 100, #414, Mansfield, Texas 76063-7129
817-473-8600, 817-658-6743 Mobile, 817-473-8668 Fax

MAINTENANCE AGREEMENT

This Maintenance Agreement (the "Agreement") is entered into between Diversified Power Systems, Inc. ("Diversified") and Hunt County ("Customer") on the 1 day of August, 2010.

CUSTOMER BILLING ADDRESS

Hunt County Purchasing Department
Customer Name
P.O. Box 1097
Mailing Address
Greenville, Texas 75403-1097
City, State, Zip Code
Carl Nicholl 903-408-4292
Name and Telephone No. of Contact
Email: cnicholl@huntcounty.net

LOCATION OF CUSTOMER EQUIPMENT

Hunt County Criminal Center
Name of Location
Physical Address
Greenville, Texas 75403
City, State, Zip Code
Jimmy Moore 903-408-4225
Name and Telephone No. of Contact
Email: jmoore@huntcounty.net

FILED FOR RECORD
BY: [Signature]
10 AUG - 9 AM 11:47
HUNT COUNTY CLERK

Diversified agrees to furnish the services specified on Exhibit "A" for the equipment described below, which is located at the above address. Diversified agrees to perform these maintenance services in the frequency stated in this Agreement.

DESCRIPTION OF CUSTOMER EQUIPMENT			
Manufacturer	Type*	Model	Serial Number
RENEWAL 2010			
Detroit	G	6063HK35 (400DSE) Kw- 400	06RO579182 Spec#

*G = Generator, T = Transfer Switch, O = Other

Frequency of Service
One Annual Pm service per our Exhibit A \$803.00
Three Quarterly inspection services per our exhibit A \$275.00 each 3 x \$275.00 = \$825.00
If load bank testing required please call for quote
All other work will be billed on a time and material basis

PRICE OF SERVICES

The price of the services to be furnished to Customer during the first year of this Agreement shall be **\$1628.00**. This price does not include the cost of any replacement parts or additional services beyond those described in Exhibit "A," as well as any applicable taxes. After the first anniversary of the Agreement, prices are subject to change, and will be based upon Diversified's current prices. Customer will be invoiced based upon work performed. Payment is expected within thirty(30) days of invoice.

OTHER PROVISIONS

Diversified shall perform its services subject to the Terms and Conditions shown on the reverse side of this Agreement. This Agreement shall automatically renew on an annual basis commencing one year from the date of this Agreement unless Customer notifies Diversified that the Agreement is to be terminated.

Diversified Power Systems, Inc.

By: Ed Rogers email: ed.rogers55@yahoo.com
Title: Preventive Maintenance Sales 817-658-6743
Date: August 2010

Customer

By: [Signature]
Title: Judge C. Howard Hunt + County Judge
Date: August 9, 2010