

STATE OF TEXAS

COUNTY OF HIDALGO

**TERMS OF AN INSTALLMENT PURCHASE AGREEMENT BETWEEN
THE COUNTY OF HIDALGO AND HIDALGO COUNTY DRAINAGE
DISTRICT NO. ONE
(INSTALLMENT AGREEMENT 2010-01)**

ARTICLE I

1.1. Amount, Purpose and Authorization. This Installment Purchase Agreement for the sale and transfer of the Equipment by the County of Hidalgo (the "County") to Hidalgo County Drainage District No. One (the "Drainage District") is entered into under the provisions of an Order of the County adopted October 12, 2010 and an Order of the Drainage District adopted October 12, 2010.

This Installment Purchase Agreement is for the total aggregate principal amount of One Million Six Hundred Twenty-Two Thousand Seven-Hundred Five and 92/100 DOLLARS (\$1,622,705.92) to finance the acquisition of the Equipment to be used by the Drainage District. A schedule of the Equipment is attached hereto as Attachment "A".

1.2. Designation and Dated Date. This Installment Purchase Agreement shall be designated as the "Hidalgo County Drainage District No. One Equipment Purchase Agreement, Series 2010-01" and shall be dated October 12, 2010 (the "Installment Agreement"). If the Installment Agreement provides for interest, the interest will be at the rate set forth in Section 1.4 of this Installment Agreement.

1.3. Execution of Installment Agreement; Seal. The Installment Agreement is signed on behalf of the County by the County Judge and attested to by the County Clerk and the official seal of the County is impressed or placed in facsimile thereon. The Installment Agreement is signed on behalf of the Drainage District by the Chairman of the Board and attested to by the County Clerk and the official seal of the Drainage District is impressed or placed in facsimile thereon. If any officer of the County or the Drainage District whose signature shall be on the Installment Agreement shall cease to be such officer before the authentication of the Installment Agreement or before the delivery of the Installment Agreement, such signature shall nevertheless be valid and sufficient for all purposes as if such officer had remained in such office.

1.4. Terms of Payment. The interest rate which the County may, in its discretion, apply to the installment purchase of the Equipment shall never exceed the rate which the County is required to pay on its then outstanding Certificates of Obligation, as applicable. Principal and interest shall be due and payable (in the principal amounts set out in the applicable Amortization Schedule for Installment Purchase) on November 15 of every year, beginning November 15, 2010, and continuing thereafter until November 15, 2011, on which last mentioned date the entire unpaid balance of principal and interest then owing shall become immediately due and payable. The Drainage District may, with the approval of the County, prepay all or any part of

the principal of the Installment Agreement before maturity without penalty, and interest shall immediately cease to accrue on any amount so prepaid.

1.5. Interest Accrual. Notwithstanding any other term, condition, requirement, or provision contained in this Installment Agreement, interest, if any, shall continue to accrue and be payable to the County so long as the Installment Agreement remains unpaid and outstanding.

1.6. Payments to Be Unconditional. The obligations of the Drainage District to make the payments and additional payments, if any, and fees charged hereunder, as well as to perform and observe all other covenants hereunder, shall be absolute and unconditional in all events, without abatement, diminution, deduction, set-off or defense for any reason, including any defects, malfunctions, breakdowns or infirmities in the Equipment or any accident, destruction or unforeseen circumstances.

ARTICLE II

SECURITY FOR THE INSTALLMENT AGREEMENT

2.1. Equipment Acquisition Account. A special fund entitled "Hidalgo County Drainage District No. One Equipment Purchase Agreement, Series 2010-01 Account (the "Equipment Acquisition Account") is hereby created and shall be established and maintained by the Drainage District on its books of account. The Equipment Acquisition Account shall be used to pay the interest on and principal of the Installment Agreement.

2.2. No Debt Created. This Installment Agreement shall not constitute a debt or liability obligation of the State of Texas or a general obligation of the Drainage District or any political subdivision of the State of Texas, or a pledge of the full faith and credit or taxing power of the State of Texas, or of the Drainage District, or any political subdivision of the State, but shall be a special obligation payable solely from the Available Funds of the Drainage District subject to the provisions hereof.

2.3. Covenants. The Drainage District covenants and agrees that it will faithfully perform at all times any and all covenants, undertakings, stipulations, and provisions contained in this Installment Agreement; that it will promptly pay or cause to be paid the payments due under the Installment Agreement on the dates and in the places and manner prescribed in the Installment Agreement.

ARTICLE III

DEFAULT AND NON-APPROPRIATION

3.1. Non-appropriation. Subject to the requirement of prior notice herein, in the event sufficient funds are not appropriated by the Drainage District for the payment required to be paid in the subsequent fiscal year, the Drainage District may terminate this Installment Agreement at the end of the current fiscal year and the Drainage District shall not be obligated to make the payments provided for in this Installment Agreement for the subsequent fiscal year.

3.2. Remedies on Non-appropriation.

(a) Upon non-appropriation hereunder, this Installment Agreement shall terminate at the end of the fiscal year for which sufficient funds have been appropriated, and the Drainage District shall immediately, upon the expiration of the said fiscal year, surrender possession and control of all Equipment acquired under this Installment Agreement which has not been paid in full by the Drainage District. The Drainage District shall provide the County written notice of such non-appropriation and non-availability within 72 hours following action by its governing body which constitutes failure to appropriate funds sufficient to pay the payments due in the subsequent fiscal year.

(b) Upon termination of this Installment Agreement for non-appropriation, if the Drainage District has not delivered possession and control of the Equipment to the County and conveyed or released its interest in the Equipment as therein required, the termination shall nevertheless be effective, but to the extent authorized by State Law, the Drainage District shall continue to be responsible, from and to the extent of Available Funds as provided in this Installment Agreement for the payment of damages in an amount equal to the amount of payments thereafter coming due which are attributable to the number of days during which the Drainage District fails to take such actions.

3.3. Intent to Continue Payments. The Drainage District presently intends to continue each of the installment purchase agreements issued or to be issued hereunder for the entire installment purchase term and to pay all payments or other transfers required hereunder. The Drainage District reasonably believes that funds in an amount sufficient to make all such payments or other transfers will be available for such purposes.

3.4. Events of Default Defined. The terms "events of default" and "default" shall mean, whenever they are used in this Installment Agreement with respect to the Equipment, any one or more of the following events:

(a) After execution hereof and appropriation of funds for a subsequent fiscal year by the governing body of the Drainage District, failure by the Drainage District to make a payment or other transfer required to be paid hereunder at the time specified herein from funds appropriated by the Drainage District, and such failure continues for ten (10) calendar days after the due date thereof; or

(b) Failure by the Drainage District to observe and perform any covenant, condition, or agreement on its part to be observed or performed by it hereunder, other than as referred to in subsection (a) of this section, and such failure is not cured within twenty (20) calendar days after written notice thereof is provided to the Drainage District by County.

3.5. Remedies Upon Default. Whenever any event of default referred to in this section shall have happened and be continuing, the County shall have the right, to the extent permitted by law, at its option and without any further demand or notice, to take one or any combination of the following remedial steps:

(a) With or without terminating this Installment Agreement, declare all payments due or to become due during the then current fiscal year to be immediately due and payable by the Drainage District to the extent Available Funds are appropriated, whereupon such payments shall be, to the extent permitted by State law, immediately due and payable;

(b) With or without terminating this Installment Agreement, take possession of the Equipment and preclude the Drainage District from using the Equipment; however, if this Installment Agreement has not been terminated, the County shall return possession of the Equipment to the Drainage District when the event of default is cured (and the Drainage District has made payment of all costs and expenses incurred by the County in taking and maintaining possession of the Equipment). Furthermore, the Drainage District shall, during such period of repossession by the County without termination of this Installment Agreement, to the extent funds have been appropriated for such purposes, continue to be responsible for the payments due or to become due during the period of time of the fiscal year for which funds are appropriated;

(c) With or without terminating this Installment Agreement, take possession of the Equipment, and, if authorized by law, sell, lease or sublease the Equipment (or any portion thereof), and, to the extent funds have been appropriated for such purposes, hold the Drainage District liable for the difference between (i) the payment and other amounts paid by a third party pursuant to such sale, lease or sublease and (ii) the balance of the payments and other amounts due or to become due during the fiscal year for which the appropriation of funds was made by the Drainage District; provided, however, nothing contained herein shall impose an obligation upon the County so to sell, lease or sublease the Equipment, and any excess proceeds from such disposition shall be returned to the Drainage District;

(d) Take whatever action at law or in equity may appear necessary or desirable to collect the payments then due and thereafter to become due during the fiscal year or to enforce performance and observance of any other obligation, agreement or covenant of the Drainage District under this Installment Agreement; or

(e) Sell, transfer or otherwise dispose of the Equipment or any interest in the Equipment, including, any lease, sublease, license, privilege, or right acquired as the result of the exercise of any of the other remedies specified in this Installment Agreement.

3.6. Reversion During Event of Default. In the event of an event of default hereunder and for so long as such event of default is continuing, all interest of the Drainage District in the Equipment shall be revested immediately in and shall revert to the County.

ARTICLE IV

PREPAYMENT; PURCHASE

4.1. Purchase Rights. The Drainage District shall be entitled to full title and all ownership interests in the Equipment identified in this Installment Agreement:

(a) Upon payment in full of all payments and all other amounts due under this Installment Agreement; or

(b) Upon written notice by the Drainage District of its intent to prepay the outstanding principal balance in full delivered at least thirty (30) days in advance of any date on which a payment is due, and upon the payment on such date of the full purchase price of the Equipment and all other amounts owed by Drainage District hereunder.

4.2 Optional Prepayment. The Drainage District shall have the right to prepay the outstanding principal balance in full at any time, provided that as conditions precedent to Drainage District's right to make, and the County's obligation to accept, any such prepayment: (i) the County shall have actually received the notice required in section 4.1 above providing the amount of principal which will be prepaid and the date on which the prepayment will be made; and (ii) each such prepayment shall be in the amount of 100% of the principal amount to be prepaid, plus accrued unpaid interest thereon to the prepayment date, plus any other sums which have become due to the County under this Installment Agreement on or before the prepayment date, but which have not been paid, provided, however, in no event shall any prepayment cause the interest rate to exceed the maximum interest rate allowed for similar governmental obligations pursuant to Chapter 1204, Texas Government Code, as amended, or other applicable laws in effect as of the date of this Installment Agreement.

4.3 Consummation of Purchase. The County's security interest in the Equipment identified in this Installment Agreement shall be terminated and released automatically in conjunction with the receipt of the full purchase price or the final payment due hereunder plus any other amounts then due from Drainage District hereunder, unless an event of default hereunder shall have occurred and be continuing as of such date. Such date may at the discretion of the County be extended for such additional period as the County reasonably determines to be necessary. On such date, the County shall deliver to the Drainage District such deeds, termination statements, bills of sale, and other documents and instruments as the Drainage District shall reasonably require to evidence the transfer of all rights, title, and interest of the County in such Equipment to the Drainage District free and clear of all liens and encumbrances created by or arising, directly or indirectly, through the County.

ARTICLE V

RESPONSIBILITIES OF DRAINAGE DISTRICT; COVENANTS

5.1. Care and Use of Equipment. The Drainage District shall use the Equipment in a careful and proper manner, in compliance with all applicable laws and regulations, and at its sole cost and expense, service, repair, and shall maintain the Equipment so as to keep the Equipment in good condition, repair, appearance, and working order for the purposes intended, ordinary wear and tear excepted, and shall replace any part of the Equipment as may from time to time become worn out, lost, stolen, destroyed or damaged, or becomes unfit for use. Any and all such additions to or replacements of the Equipment and all parts thereof shall constitute accessions to the Equipment and shall be subject to all the terms and conditions of this Installment Agreement and included in the term "Equipment" as used in this Installment Agreement. If requested by the

County, the Drainage District shall enter into or cause to be entered into, and maintained in full force and effect during the term of this Installment Agreement, standard maintenance contracts satisfactory to the County covering the Equipment and shall comply with all its obligations hereunder. The Drainage District shall furnish evidence to the County of such executed maintenance agreement at or prior to the date of this Installment Agreement and the payment of all charges and premiums therefore. Substitute maintenance may be used if necessary and if first approved by the County in writing. Upon the early termination of this Installment Agreement pursuant to section 3.1 or 3.2, the Drainage District shall return the Equipment at its sole expense to the County at a place designated by the County in the same condition as originally received, ordinary wear and tear excepted, and in a condition which will permit the County to be eligible for such standard maintenance contract without incurring any expense to repair or rehabilitate the Equipment.

5.2. Inspection. The County shall have the right upon reasonable prior notice to the Drainage District to enter onto and upon the premises where the Equipment is located to inspect the Equipment and observe its use during normal business hours.

5.3. Utilities. The Drainage District shall pay all charges for gas, water, electricity, light, heat or power, telephone, or other utility service furnished to or used on or in connection with the Equipment during the period of this Installment Agreement. There shall be no abatement of payments on account of interruption of any such services.

5.4. Insurance. The Drainage District shall maintain or cause to be maintained (a) casualty insurance naming County as additional insured and loss payee and insuring the Equipment against loss or damage by fire and all other risks covered by the standard extended coverage endorsement then in use in the State, and any other risks reasonably required by the County, in an amount at least equal to the purchase price of the Equipment and with such deductibles as the County may require in its sole discretion; (b) liability insurance that protects the County from liability in all events in form and amount satisfactory to the County; and (c) worker's compensation coverage as required by the laws of the State; provided that, with the County's prior written consent, the Drainage District may self-insure against the risks described in clause (a). Upon request, the Drainage District shall furnish to the County evidence of such insurance or self-insurance coverage. The Drainage District shall not cancel or modify such insurance or self-insurance coverage in any way that would affect the interests of the County without first giving written notice thereof to the County at least thirty (30) days in advance of such cancellation or modification.

5.5. Risk of Loss. The Drainage District shall bear all risk of loss to the Equipment, after delivery of the Equipment to the Drainage District, and in the event of loss or damage thereto, the Drainage District shall at its option either (i) continue to make the payments due hereunder and repair or replace the Equipment as mutually agreed between the Drainage District and the County, or (ii) purchase the Equipment for the Purchase Price.

5.6. Performance by County of District's Responsibilities; Advances. In the event the Drainage District fails to keep the Equipment in good repair and working order, the County may, but shall be under no obligation to, maintain and repair the Equipment and pay the costs thereof.

Any performance required of the Drainage District or any payments required to be made by the Drainage District, if not timely performed or paid, may be performed or paid by the County, and in that event, the County shall be immediately reimbursed as additional payments by the Drainage District for such payments and for any costs and expense, legal or otherwise, associated with the payments or other performance by the County, with interest per annum thereon at the maximum rate for governmental obligations under Chapter 1204, Texas Government Code, as amended, or other applicable laws in effect as of the date such costs are incurred.

5.7. Warranties. Except for representations, warranties and service contracts relating to the Equipment made or entered into by the manufacturers or suppliers of the Equipment, all of which are hereby assigned to the Drainage District, the County has made and makes no representation or warranty, express or implied, and assumes no obligation with respect to the title, merchantability, condition, quality or fitness of the Equipment as described in this Installment Agreement for any particular purpose or the conformity of the Equipment to specifications or purchase order, its design, delivery, installation or operation. All claims or actions on any warranty so assigned to the County shall be made or prosecuted by the Drainage District, at its sole expense.

ARTICLE VI

DAMAGE, DESTRUCTION AND CONDEMNATION.

6. 1. Damage, Destruction and Condemnation. Unless the Drainage District shall have exercised its option to purchase the Equipment by making payment of the purchase price and any other amounts then due from the Drainage District hereunder, as provided in this Installment Agreement, then, if prior to the termination of the applicable installment purchase term, the Equipment or any portion thereof is destroyed, in whole or in part, or is damaged by fire or other casualty, the Drainage District and the County will cause the net proceeds (as hereinafter defined) of any insurance claim be applied to the prompt replacement, repair, restoration, modification or improvement of the Equipment. Any balance of the net proceeds remaining after such work has been completed shall be paid to the County.

Notwithstanding the foregoing, the Drainage District may elect to replace the Equipment. If the Drainage District elects to replace any item of the Equipment pursuant to this section, the replacement equipment (the "Replacement Equipment") shall be of similar type, utility and condition to the replaced Equipment and shall be of equal or greater value than the replaced Equipment. The Drainage District shall represent, warrant, and covenant to the County that each item of Replacement Equipment is free and clear of all claims, liens, security interests, and encumbrances, excepting only those liens created by or through the County, and shall provide to the County any and all documents as the County may reasonably request in connection with the replacement, including, but not limited to, documentation in form and substance satisfactory to the County evidencing the County's security interest in the Replacement Equipment. The County and the Drainage District hereby acknowledge and agree that any Replacement Equipment acquired pursuant to this paragraph shall constitute "Equipment" for purposes of this Installment Agreement. The Drainage District shall notify the County as soon as possible of its election to replace Equipment in accordance with the foregoing, and in any event, the Drainage

District shall complete the documentation of Replacement Equipment on or before the next Payment date after the occurrence of a casualty event, or be required to exercise the purchase option with respect to the damaged Equipment.

ARTICLE VII

TITLE TO EQUIPMENT; SECURITY INTEREST

7.1. Title. During the term of the Installment Agreement, legal title to the Equipment, so long as no event of default has occurred and is continuing under such Agreement and hereunder, be in the name of the Drainage District. The Equipment shall be registered in the name of the Drainage District, and, if applicable, title thereto shall be evidenced by a certificate of title, or such other instrument as may be required by or utilized by the laws of the State of Texas to demonstrate ownership. Such certificate may be held at all times during the term of this Installment Agreement by the County and may expressly state thereon that (a) the County holds a lien on the Equipment, (b) the Drainage District's possession of the Equipment is subject to this Installment Agreement, and (c) any other information required by applicable law and that may be necessary or convenient, as determined by the County, to establish the County's rights, title, and interest as the first secured lien holder of the Equipment. The Drainage District shall at all times protect and defend, at its own cost and expense, its title to the Equipment from and against all claims, liens, and legal processes of creditors of the Drainage District, and keep all Equipment free and clear of all such claims, liens and processes. Upon the occurrence of an event of default under this Installment Agreement or upon the termination of this Installment Agreement pursuant to Section 3.1 hereof, (i) full and unencumbered legal title to the Equipment shall pass and revert to the County and the Drainage District shall have no further interest therein; (ii) the Drainage District shall execute and deliver to the County such documents as the County may request to evidence the passage of the Drainage District's title and interest therein; and (iii) upon request by the County, the Drainage District shall deliver possession of the Equipment to the County. Upon full payment or prepayment pursuant to Sections 4.1 and 4.2 hereof, full and unconditional title to the applicable Equipment shall pass to the Drainage District, and the County's security interest in the applicable Equipment shall terminate, and the County shall execute and deliver to the Drainage District such documents as the Drainage District may request to evidence the termination of the County's security or other interest in such Equipment.

7.2. Inspection, Acceptance and Written Notice of Defects. Immediately, or as soon as practicable, upon receipt and installation of the Equipment, the Drainage District shall inspect the Equipment. Unless the Drainage District gives the County written notice of each defect or other proper objection to the Equipment before the execution of the Acceptance Certificate, it shall be conclusively presumed that the Drainage District has fully inspected and acknowledged that the Equipment is in good condition and repair, has been properly installed and is performing satisfactorily, and that the Drainage District is satisfied with and has accepted the Equipment in such condition and repair.

ARTICLE VIII

MISCELLANEOUS

8.1. Further Proceedings. The County Judge, on behalf of the County, and the Chairman of the Board and other appropriate officials of the Drainage District are hereby authorized and directed to do any and all things necessary and/or convenient to carry out the terms of this Installment Agreement.

8.2. Severability. If any section, paragraph, clause or provision of this Installment Agreement shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause or provision shall not affect any of the remaining provisions of this Installment Agreement.

8.3. Open Meeting. It is hereby found, determined and declared that a sufficient written notice of the date, hour, place and subject of the meeting of the County's Commissioners Court and the Drainage District's Board of Directors at which this Agreement was adopted was posted at a place convenient and readily accessible at all times to the general public at the official meeting place of the County and the Drainage District for the time required by law preceding this meeting, as required by the Texas Open Meetings Law, Chapter 551, Texas Government Code, as amended, and that this meeting was open to the public as required by law at all times during which this Agreement and the subject matter thereof were discussed, considered and formally acted upon. The Commissioners Court and the Drainage District Board of Directors further ratifies, approves and confirms such written notice and the contents and posting thereof.

8.4. Repealer. All orders and resolutions or parts thereof, inconsistent herewith are hereby repealed to the extent of such inconsistency.

PASSED AND APPROVED ON _____.

HIDALGO COUNTY

County Judge

ATTEST:

County Clerk

(SEAL)

PASSED AND APPROVED ON _____.

HIDALGO COUNTY DRAINAGE
DISTRICT NO. ONE

County Judge

ATTEST:

County Clerk

(SEAL)

ATTACHMENT "A"

**DESCRIPTION AND PURCHASE PRICE OF AND
INSTALLMENT PAYMENT PLAN FOR EQUIPMENT**

Cost of Machinery and Equipment:

2 - Volvo Excavators – EC 460C @ 330,435.00	\$ 660,870.00
2 - Caterpillar Excavators – 345DL @ 344,500.00	689,000.00
2 - John Deere Tractors – JD6330 w/ Samurai Boom Mower @ 80,577.00	161,154.00
2 - John Deere Tractors – JD6330 @ 41,590.96	83,181.92
2 - Predator Mowers @ 14,250.00	28,500.00

Total Cost of Machinery and Equipment **1,622,705.92**

ATTACHMENT "A-1"

SCHEDULE

(Incorporating all terms and conditions of the Installment Purchase Agreement, Series 2010-01)

DESCRIPTION OF EQUIPMENT

VENDOR	DESCRIPTION	P.O. #	SERIAL #	UNITS	PRICE
County of Hidalgo	Volvo EC460C Excavator	631246	SL#EEH00546 SL#EEH00548	2	\$ 660,870.00
County of Hidalgo	345DL FG Hydraulic Excavator	631244	SL#110363 SL#110365	2	689,000.00
	Total				1,349,870.00
County of Hidalgo	JD 6330 Utility Std. CAB 2WD Tractors W/Samurai Boom Mow	632253	S/N# 130083 S/N# 130563	2	161,154.00
County of Hidalgo	JD 6330 CAB TRACTORS S/N#631633&631715	631245	S/N# 631633 S/N# 631715	2	83,181.92
County of Hidalgo	15' PREDATOR MOWER	635632	S/N# 79150 S/N# 79149	2	28,500.00
	Total				272,835.92
		Total			\$1,622,705.92

LOCATION OF EQUIPMENT

ADDRESS: 1102 N. Doolittle Rd.
CITY: Edinburg COUNTY: Hidalgo
STATE: Texas ZIP: 78539

CERTIFICATION

Hidalgo County Drainage District No. 1 hereby certifies that the description of the property set forth above constitutes an accurate account of the Equipment described and procured through a competitive procurement procedure under state law.

Hidalgo County Drainage District No. 1

By: _____
(Authorized Signature)

Printed Name and Title

Date: _____

ATTACHMENT "B"
ACCEPTANCE CERTIFICATE

CERTIFICATE OF ACCEPTANCE

INSTALLMENT SALE-PURCHASE AGREEMENT (THE "AGREEMENT") BY AND BETWEEN

Hidalgo County Drainage District No. One
and

The County of Hidalgo, Texas

Date October 19, 2010

1. ACCEPTANCE: In accordance with the Agreement, the Drainage District hereby certifies that all of the Equipment described herein (i) has been received by the Drainage District, (ii) has been thoroughly examined and inspected to the complete satisfaction of the Drainage District, and in conformity with the published specifications included in the competitive procurement process; (iii) has been found by the Drainage District to be in good operating order, repair and condition, (iv) has been found to be of the size, design, quality, type and manufacture specified by County, (v) has been found to be and is wholly suitable for the Drainage District's purposes, (vi) has been assembled or installed consistent with instructions supplied by the Vendor, (vii) has been scheduled under the Drainage District's casualty insurance policy, and (viii) is hereby unconditionally accepted by the Drainage District, in the condition received, for all purposes of this Agreement.

2. EQUIPMENT (may incorporate one or more documents)

<u>VENDOR</u>	<u>DESCRIPTION</u>	<u>P.O. #</u>	<u>SERIAL #</u>	<u>UNITS</u>	<u>PRICE</u>
<u>County of Hidalgo</u>	<u>Volvo EC460C Excavator</u>	<u>631246</u>	<u>SL#EEH00546</u> <u>SL#EEH00548</u>	<u>2</u>	<u>\$ 660,870.00</u>
<u>County of Hidalgo</u>	<u>345DL FG Hydraulic Excavator</u>	<u>631244</u>	<u>SL#110363</u> <u>SL#110365</u>	<u>2</u>	<u>689,000.00</u>
	<u>Total</u>				<u>1,349,870.00</u>
<u>County of Hidalgo</u>	<u>JD 6330 Utility Std. CAB 2WD Tractors W/Samurai Boom Mower</u>	<u>632253</u>	<u>S/N# 130083</u> <u>S/N# 130563</u>	<u>2</u>	<u>161,154.00</u>
<u>County of Hidalgo</u>	<u>JD 6330 CAB TRACTORS</u>	<u>631245</u>	<u>S/N# 631633</u> <u>S/N# 631715</u>	<u>2</u>	<u>83,181.92</u>
<u>County of Hidalgo</u>	<u>15' PREDATOR MOWER</u>	<u>635632</u>	<u>S/N# 79150</u> <u>S/N# 79149</u>	<u>2</u>	<u>28,500.00</u>
	<u>Total</u>				<u>272,835.92</u>
		<u>Total</u>			<u>\$1,622,705.92</u>

3. USE: Construction and Maintenance
4. PROPERTY LOCATION: 1102 N. Doolittle Rd., Edinburg, County of Hidalgo, Texas
5. INVOICING: Invoices shall be sent to the following address, including to whose attention invoices should be directed:

For Drainage District:

By: _____

ACCEPTED on this the ___ day of _____, 2010.

ATTACHMENT "C"

FORM OF AMORTIZATION SCHEDULE

AMORTIZATION SCHEDULE FOR INSTALLMENT PURCHASE

(This schedule sets out the Payments due under a Schedule authorized under the Hidalgo County Drainage District No. One Equipment Purchase Agreement, Series 2010-01, dated October 19, 2010).

CAPITAL COST: \$1,622,705.92
RATE: 3.467661%
TERM (YEARS): 2 years

Payment #	Date	Payment Amount*	Principal	Interest	Remaining Amount
1	11/15/2010	860,404.00	856,241.68	4,162.32	766,464.24
2	11/15/2011	793,042.62	766,464.24	26,578.38	0.00
Totals		1,653,446.62	1,622,705.92	30,740.70	

* Includes interest

By: _____

Date: _____