



EDGIN, PARKMAN, FLEMING & FLEMING, PC

CERTIFIED PUBLIC ACCOUNTANTS

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MICHAEL D. EDGIN, CPA
DAVID L. PARKMAN, CPA
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April 30, 2024

Judge Kevin Benton, County Commissioners
and Jennifer Essary, County Auditor
Montague County, Texas
P.O. Box 56
Montague, Texas 76251

We are pleased to confirm our understanding of the services we are to provide Montague County, Texas (County) for the year ended September 30, 2024.

Audit Scope and Objectives

We will audit the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information, including the related notes to the financial statements, which collectively comprise the basic financial statements of the County as of and for the year ended September 30, 2024, prepared on the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Accounting standards generally accepted in the United States of America provide for certain required supplementary information (RSI), such as management's discussion and analysis (MD&A), to supplement the County's basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economical, or historical context. As part of our engagement, we will apply certain limited procedures to the County's RSI in accordance with auditing standards generally accepted in the United States of America. These limited procedures will consist of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We will not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient appropriate evidence to express an opinion or provide any assurance. The following RSI is required by generally accepted accounting principles and will be subjected to certain limited procedures, but will not be audited:

- 1) Management's Discussion and Analysis
- 2) Budgetary Comparison Schedules
- 3) Schedule of Funding Progress – Texas County and District Retirement System
- 4) Combining Statements and Budgetary Comparisons

We have also been engaged to report on supplementary information other than RSI that accompanies the County's financial statements. We will subject the following supplementary information to the auditing procedures applied in our audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America and will provide an opinion on it in relation to the financial statements as a whole, in a report combined with our auditor's report on the financial statements:

1. Schedule of Expenditures of Federal Awards

COPY

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The objectives of our audit are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and issue an auditor's report that includes our opinions about whether your financial statements are fairly presented, in all material respects, in conformity with the modified cash basis of accounting and to report on the fairness of the supplementary information referred to in the second paragraph when considered in relation to the financial statements as a whole. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. Misstatements, including omissions, can arise from fraud or error and are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment of a reasonable user made based on the financial statements. The objectives also include reporting on –

- Internal control over financial reporting and compliance with provisions of laws, regulations, contracts, and award agreements, noncompliance with which could have a material effect on the financial statements in accordance with *Government Auditing Standards*.
- Internal control over compliance related to major programs and an opinion (or disclaimer of opinion) on compliance with federal statutes, regulations, and the terms and conditions of federal awards that could have a direct and material effect on each major program in accordance with the Single Audit Act Amendments of 1996 and Title 2 *U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)*.

Auditor's Responsibilities for the Audit of the Financial Statements and the Single Audit

We will conduct our audit in accordance with auditing standards generally accepted in the United States of America; the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the Single Audit Act Amendments of 1996; and the provisions of the Uniform Guidance, and will include tests of accounting records, a determination of major program(s) in accordance with the Uniform Guidance, and other procedures we consider necessary to enable us to express such opinions. As part of an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we exercise professional judgment and maintain professional skepticism throughout the audit.

We will evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management. We will also evaluate the overall presentation of the financial statements, including the disclosures, and determine whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation. We will plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the entity or to acts by management or employees acting on behalf of the entity. Because the determination of waste and abuse is subjective, *Government Auditing Standards* do not expect auditors to perform specific procedures to detect waste or abuse in financial audits nor do they expect auditors to provide reasonable assurance of detecting waste or abuse.

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, and because we will not perform a detailed examination of all transactions, there is an unavoidable risk that some material misstatements or noncompliance may not be detected by us, even though the audit is properly planned and performed in accordance with U.S. generally accepted auditing standards and *Government Auditing Standards*. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements or

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on major programs. However, we will inform the appropriate level of management of any material errors, any fraudulent financial reporting, or misappropriation of assets that come to our attention. We will also inform the appropriate level of management of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential. We will include such matters in the reports required for a Single Audit. Our responsibility as auditors is limited to the period covered by our audit and does not extend to any later periods for which we are not engaged as auditors.

We will also conclude, based on the audit evidence obtained, whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the government's ability to continue as a going concern for a reasonable period of time.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, tests of the physical existence of inventories, and direct confirmation of receivables and certain other assets and liabilities by correspondence with selected individuals, funding sources, creditors, and financial institutions. We will also request written representations from your attorneys as part of the engagement, and they may bill you for responding to this inquiry.

Our audit of the financial statements does not relieve you of your responsibilities.

Audit Procedures - Internal Control

We will obtain an understanding of the government and its environment, including the system of internal control, sufficient to identify and assess the risks of material misstatement of the financial statements, whether due to error or fraud, and to design and perform audit procedures responsive to those risks and obtain evidence that is sufficient and appropriate to provide a basis for our opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentation, or the override of internal control. Tests of controls may be performed to test the effectiveness of certain controls that we consider relevant to preventing and detecting errors and fraud that are material to the financial statements and to preventing and detecting misstatements resulting from illegal acts and other noncompliance matters that have a direct and material effect on the financial statements. Our tests, if performed, will be less in scope than would be necessary to render an opinion on internal control and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to *Government Auditing Standards*.

As required by the Uniform Guidance, we will perform tests of controls over compliance to evaluate the effectiveness of the design and operation of controls that we consider relevant to preventing or detecting material noncompliance with compliance requirements applicable to each major federal award program. However, our tests will be less in scope than would be necessary to render an opinion on those controls and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to the Uniform Guidance.

An audit is not designed to provide assurance on internal control or to identify significant deficiencies or material weaknesses. Accordingly, we will express no such opinion. However, during the audit, we will communicate to management and those charged with governance internal control related matters that are required to be communicated under AICPA professional standards, *Government Auditing Standards*, and the Uniform Guidance.

Audit Procedures – Compliance

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

The Uniform Guidance requires that we also plan and perform the audit to obtain reasonable assurance about whether the auditee has complied with federal statutes, regulations, and the terms and conditions of federal awards applicable to major programs. Our procedures will consist of tests of transactions and other applicable procedures described in the *OMB Compliance Supplement* for the types of compliance requirements that could have a direct and material effect on each of the County's major programs. For federal programs that are included in the Compliance Supplement, our compliance and internal control procedures will relate to the compliance requirements that the Compliance Supplement identifies as being subject to audit. The purpose of these procedures will be to express an opinion on the County's compliance with requirements applicable to each of its major programs in our report on compliance issued pursuant to the Uniform Guidance.

Responsibilities of Management for the Financial Statements and Single Audit

Our audit will be conducted on the basis that you acknowledge and understand your responsibility for (1) designing, implementing, establishing and maintaining effective internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, including internal controls over federal awards, and for evaluating and monitoring ongoing activities, to help ensure that appropriate goals and objectives are met; (2) following laws and regulations; (3) ensuring that there is reasonable assurance that government programs are administered in compliance with compliance requirements; and (4) ensuring that management and financial information is reliable and properly reported. Management is also responsible for implementing systems designed to achieve compliance with applicable laws, regulations, contracts, and grant agreements. You are also responsible for the selection and application of accounting principles; for the preparation and fair presentation of the financial statements, schedule of expenditures of federal awards, and all accompanying information in conformity with the modified cash basis of accounting; and for compliance with applicable laws and regulations (including federal statutes), rules, and the provisions of contracts and grant agreements (including award agreements). Your responsibilities also include identifying significant contractor relationships in which the contractor has responsibility for program compliance and for the accuracy and completeness of that information.

You are also responsible for making drafts of financial statements, schedule of expenditures of federal awards, all financial records and related information available to us and for the accuracy and completeness of that information (including information from outside of the general and subsidiary ledgers) and for the evaluation of whether there are any conditions or events, considered in the aggregate that raise substantial doubt about the government's ability to continue as a going concern for the 12 months after the financial statements date or shortly thereafter. You are also responsible for providing us with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, identification of all related parties and all related-party relationships and transactions, and other matters; (2) access to personnel, accounts, books, records, supporting documentation, and other information as needed to perform an audit under the Uniform Guidance; (3) additional information that we may request for the purpose of the audit; and (4) unrestricted access to persons within the government from whom we determine it necessary to obtain audit evidence. At the conclusion of our audit, we will require certain written representations from you about the financial statements; schedule of expenditures of federal awards; federal award programs; compliance with laws, regulations, contracts, and grant agreements; and related matters.

Your responsibilities include adjusting the financial statements to correct material misstatements and confirming to us in the management representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements of each opinion unit taken as a whole.

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the government involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the government received in communications from employees,

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former employees, grantors, regulators, or others. In addition, you are responsible for identifying and ensuring that the entity complies with applicable laws, regulations, contracts, agreements, and grants. Management is also responsible for taking timely and appropriate steps to remedy fraud and noncompliance with provisions of laws, regulations, contracts, and grant agreements that we report. Additionally, as required by the Uniform Guidance, it is management's responsibility to evaluate and monitor noncompliance with federal statutes, regulations, and the terms and conditions of federal awards; take prompt action when instances of noncompliance are identified including noncompliance identified in audit findings; promptly follow up and take corrective action on reported audit findings; and prepare a summary schedule of prior audit findings and a separate corrective action plan. The summary schedule of prior audit findings should be available for our review at the completion of the audit fieldwork.

You are responsible for identifying all federal awards received and understanding and complying with the compliance requirements and for the preparation of the schedule of expenditures of federal awards (including notes and noncash assistance received, and COVID-19 related concepts, such as lost revenues, if applicable) in conformity with the Uniform Guidance. You agree to include our report on the schedule of expenditures of federal awards in any document that contains and indicates that we have reported on the schedule of expenditures of federal awards. You also agree to include the audited financial statements with any presentation of the schedule of expenditures of federal awards that includes our report thereon. Your responsibilities include acknowledging to us in the written representation letter that (1) you are responsible for presentation of the schedule of expenditures of federal awards in accordance with the Uniform Guidance; (2) you believe the schedule of expenditures of federal awards, including its form and content, is stated fairly in accordance with the Uniform Guidance; (3) the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the schedule of expenditures of federal awards.

You are also responsible for the preparation of the other supplementary information, which we have been engaged to report on, in conformity with the modified cash basis of accounting. You agree to include our report on the supplementary information in any document that contains and indicates that we have reported on the supplementary information. You also agree to include the audited financial statements with any presentation of the supplementary information that includes our report thereon. Your responsibilities include acknowledging to us in the written representation letter that (1) you are responsible for presentation of the supplementary information in accordance with GAAP; (2) you believe the supplementary information, including its form and content, is fairly presented in accordance with GAAP; (3) the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the supplementary information.

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

Other Services

We will also update the County's depreciation schedule from the information provided by you, prepare the conversion of the County's fund-level financial statements to the government-wide basis from the information obtained during the audit and provided by you, and prepare the County's financial statements, schedule of expenditures of federal awards, and related notes in conformity with the modified cash basis of accounting and

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the Uniform Guidance based on information provided by you. These nonaudit services do not constitute an audit under *Government Auditing Standards* and such services will not be conducted in accordance with *Government Auditing Standards*. We will perform the services in accordance with applicable professional standards. The other services are limited to the financial statements, schedule of expenditures of federal awards, and related notes previously defined. We, in our sole professional judgment, reserve the right to refuse to perform any procedure or take any action that could be construed as assuming management responsibilities.

You agree to assume all management responsibilities relating to the financial statements, schedule of expenditures of federal awards, related notes, and any other nonaudit services we may provide. You will be required to acknowledge in the management representation letter our assistance with preparation of the financial statements, schedule of expenditures of federal awards, and related notes and that you have reviewed and approved the financial statements, schedule of expenditures of federal awards, and related notes prior to their issuance and have accepted responsibility for them. Further, you agree to oversee the nonaudit services by designating an individual, preferably from senior management, with suitable skill, knowledge, or experience; evaluate the adequacy and results of those services; and accept responsibility for them.

Engagement Administration, Fees, and Other

We understand that your employees will prepare all cash or other confirmations we request and will locate any documents selected by us for testing.

At the conclusion of the engagement, we will complete the appropriate sections of the Data Collection Form that summarizes our audit findings. It is management's responsibility to electronically submit the reporting package (including financial statements, schedule of expenditures of federal awards, summary schedule of prior audit findings, auditor's reports, and corrective action plan) along with the Data Collection Form to the Federal Audit Clearinghouse. We will coordinate with you the electronic submission and certification. The Data Collection Form and the reporting package must be submitted within the earlier of 30 calendar days after receipt of the auditor's reports or nine months after the end of the audit period.

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

The audit documentation for this engagement is the property of Edgin, Parkman, Fleming & Fleming, PC and constitutes confidential information. However, subject to applicable laws and regulations, audit documentation and appropriate individuals will be made available upon request and in a timely manner to a grantor agency or its designee, a federal agency providing direct or indirect funding, or the U.S. Government Accountability Office for purposes of a quality review of the audit, to resolve audit findings, or to carry out oversight responsibilities. We will notify you of any such request. If requested, access to such audit documentation will be provided under the supervision of Edgin, Parkman, Fleming & Fleming, PC personnel. Furthermore, upon request, we may provide copies of selected audit documentation to the aforementioned parties. These parties may intend, or decide, to distribute the copies or information contained therein to others, including other governmental agencies.

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

Judge Kevin Benton, County Commissioners
and Jennifer Essary, County Auditor
Montague County, Texas
April 30, 2024

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Michael D. Edgin, CPA, is the engagement partner and is responsible for supervising the engagement and signing the reports or authorizing another individual to sign them. We expect to begin our work in late March 2025 and to issue our report by the end of April 2025.

We estimate that our fee for this audit will be \$34,500. However, this fee excludes additional time required, if any, relative to the implementation of GASB 87 and GASB 96. Our invoices will be rendered as work progresses and are payable on presentation. This fee is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the audit. If significant additional time is necessary, we will discuss it with you and arrive at a new fee before we incur the additional costs.

If any dispute, controversy, or claim arises, either party may, upon written notice to the other party, request that the matter be mediated. Such mediation will be conducted by a mediator appointed by and pursuant to the Rules of the American Arbitration Association or such other neutral facilitator acceptable to both parties. Both parties will exert their best efforts to discuss with each other in good faith their respective positions in an attempt to finally resolve such dispute or controversy.

Each party may disclose any facts to the other party or to the mediator which it, in good faith, considers necessary to resolve the matter. All such discussions, however, will be for the purpose of assisting in settlement efforts and will not be admissible in any subsequent litigation against the disclosing party. Except as agreed by both parties, the mediator will keep confidential all information disclosed during negotiations. The mediator may not act as a witness for either party in any subsequent arbitration between the parties.

The mediation proceedings will conclude within sixty days from receipt of the written notice unless extended or terminated sooner by mutual consent. Each party will be responsible for its own expenses. The fees and expenses of the mediator, if any, will be borne equally by the parties.

If any dispute, controversy, or claim cannot be resolved by mediation, then the dispute, controversy, or claim will be settled by arbitration in accordance with the Rules of the American Arbitration Association (AAA) for the Resolution of Accounting Firm Disputes. No pre-hearing discovery will be permitted unless specifically authorized by the arbitration panel. The arbitration hearings will take place in the city closest to the place where this agreement was performed in which the AAA maintains an office, unless the parties agree to a different locale.

The award issued by the arbitration panel may be confirmed in a judgment by any federal or state court of competent jurisdiction. All reasonable costs of both parties, as determined by the arbitrators, including (1) the fees and expenses of the AAA and the arbitrators and (2) the costs, including reasonable attorneys' fees, necessary to confirm the award in court, will be borne entirely by the non-prevailing party (to be designated by the arbitration panel in the award) and may not be allocated between the parties by the arbitration panel.

Such arbitration shall be binding and final. In agreeing to arbitration, we both acknowledge that in the event of a dispute over fees charged by the accountant, each of us is giving up the right to have the dispute decided in a court of law before a judge or jury and instead we are accepting the use of arbitration for resolution.

Reporting

We will issue written reports upon completion of our Single Audit. Our reports will be addressed to the Judge and County Commissioners of Montague County, Texas. Circumstances may arise in which our report may differ from its expected form and content based on the results of our audit. Depending on the nature of these circumstances, it may be necessary for us to modify our opinions, add a separate section, or add an emphasis-of-matter or other-matter paragraph to our auditor's report, or if necessary, withdraw from this engagement. If our opinions are other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed opinions, we may decline to express opinions or issue reports, or we may withdraw from this engagement.

Judge Kevin Benton, County Commissioners
and Jennifer Essary, County Auditor
Montague County, Texas
April 30, 2024

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The *Government Auditing Standards* report on internal control over financial reporting and on compliance and other matters will state that (1) the purpose of the report is solely to describe the scope of testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance, and (2) the report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. The Uniform Guidance report on internal control over compliance will state that the purpose of the report on internal control over compliance is solely to describe the scope of testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Both reports will state that the report is not suitable for any other purpose.

Government Auditing Standards require that we provide you with a copy of our most recent external peer review report and any letter of comment, and any subsequent peer review reports and letters of comment received during the period of the contract. Our 2021 peer review report accompanies this letter.

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

Respectfully submitted,

Edgin, Parkman, Fleming & Fleming, PC

EDGIN, PARKMAN, FLEMING & FLEMING, PC
Certified Public Accountants

RESPONSE:

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

By: _____

Title: County Judge

Date: _____

By: _____

Title: County Auditor

Date: _____

BOLINGER, SEGARS, GILBERT & MOSS, L.L.P.

CERTIFIED PUBLIC ACCOUNTANTS

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8215 NASHVILLE AVENUE

LUBBOCK, TEXAS 79423-1954

Report on the Firm's System of Quality Control

May 25, 2022

To the Shareholders of
Edgin, Parkman, Fleming & Fleming, PC
and the Texas Society of CPA's Peer Review Committee

We have reviewed the system of quality control for the accounting and auditing practice of Edgin, Parkman, Fleming & Fleming, PC (the firm) in effect for the year ended December 31, 2021. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants (Standards).

A summary of the nature, objectives, scope, limitations of, and the procedures performed in a System Review as described in the Standards may be found at www.aicpa.org/prsummary. The summary also includes an explanation of how engagements identified as not performed or reported in conformity with applicable professional standards, if any, are evaluated by a peer reviewer to determine a peer review rating.

Firm's Responsibility

The firm is responsible for designing a system of quality control and complying with it to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. The firm is also responsible for evaluating actions to promptly remediate engagements deemed as not performed or reported in conformity with professional standards, when appropriate, and for remediating weaknesses in its system of quality control, if any.

Peer Reviewer's Responsibility

Our responsibility is to express an opinion on the design of the system of quality control and the firm's compliance therewith based on our review.

Required Selections and Considerations

Engagements selected for review included engagements performed under Government Auditing Standards, including a compliance audit under the Single Audit Act.

As a part of our peer review, we considered reviews by regulatory entities as communicated by the firm, if applicable, in determining the nature and extent of our procedures.

Opinion

In our opinion, the system of quality control for the accounting and auditing practice of Edgin, Parkman, Fleming & Fleming, PC in effect for the year ended December 31, 2021, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass*, *pass with deficiency(ies)* or *fail*. Edgin, Parkman, Fleming & Fleming, PC has received a peer review rating of *pass*.

Bolinger, Segars, Gilbert & Moss LLP

Certified Public Accountants

flock safety

MEMORANDUM OF UNDERSTANDING

This Data Sharing Memorandum of Understanding (hereinafter “MOU”) is entered into by and between Flock Group, Inc., d/b/a “Flock Safety”, with a place of business at 1170 Howell Mill Road NW Suite 210, Atlanta, GA 30318 (“Flock”) and Montague County SO with a place of business at 111 Grand St, Montague, Texas 76251 (“Customer”) (each a “Party”, and together, the “Parties”).

Whereas, Customer desires to access Flock’s technology platform and FlockOS[®] (together, the “Flock Services”) in order to view and search still images and associated information (e.g., metadata, geo-location of devices, time stamp, and vehicle description) captured by Flock’s devices (“Captured Data”) for the Purpose (defined below).

Whereas, Flock desires to share Captured Data with Customer in accordance with the applicable retention requirements, pursuant to the following terms and conditions:

1. Definitions.

1.1. “**Authorized User**” means employees, agents, or officers of Customer accessing or using the Flock Services for the Purpose.

1.2. “**Flock IP**” means the Flock Services, Flock’s proprietary software, hardware, and any intellectual property or proprietary information therein or otherwise provided to Customer and/or its Authorized Users.

1.3. “**FlockOS[®] Essentials Tier**” means access to Flock’s cloud-based public safety platform, which includes real-time hotlist alerts and search vehicle evidence from a nationwide network of license plate reader cameras. FlockOS[®] Essentials Tier includes access to Flock’s national law enforcement network of devices.

1.4. “**FlockOS[®] Community Tier**” means access to Flock’s cloud-based public safety platform, which includes limited access to community devices, such as Home Owner Associations, businesses, law enforcement, and school safety customers, within the local city or county they serve. FlockOS[®] Community Tier does not include national access to Flock’s law enforcement network of devices.

2. Purpose. Customer shall use Flock Services solely for the awareness, prevention, and prosecution of crime, bona fide investigations and evidence gathering by law enforcement to the extent permitted by law (“**Purpose**”).

3. Term. This MOU will commence upon execution by both Parties and shall continue until terminated by either Party pursuant to Section 12 (“**Termination for Convenience**”).

4. Trial Period. For the first ninety (90) days of the Term (“**Trial Period**”), Customer will have complimentary access to FlockOS[®] Essentials Tier. After the Trial Period, Customer will be

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automatically downgraded to FlockOS[®] Community Tier unless the Parties mutually execute a paid subscription agreement.

5. Access Rights to Flock Services. Flock grants to Customer a non-exclusive, non-transferable, revocable right to access the features and functions of the Flock Services during the Term, solely for use by Authorized Users. Customer shall undertake reasonable efforts to make all Authorized Users aware of the provisions of this MOU and shall cause Authorized Users to comply with such provisions. Customer shall be responsible for all acts and omissions of Authorized Users.

6. Restrictions on Use. Customer will not permit any Authorized Users or any third party to: (i) copy or duplicate any of the Flock Services; (ii) decompile, disassemble, reverse engineer or otherwise attempt to obtain or perceive the source code from which any software component of any of the Flock Services is compiled or interpreted; (iii) modify, alter, or tamper with any of the Flock Services, or create any derivative product from any of the foregoing; (iv) interfere or attempt to interfere in any manner with the functionality or proper working of any of the Flock Services; (v) remove, obscure, or alter any notice of any intellectual property or proprietary right appearing on or contained within any of the Flock Services; or (vi) assign, sublicense, sell, resell, lease, rent or otherwise transfer or convey, or pledge as security or otherwise encumber, Customer's rights. Customer may only access Captured Data and Flock Services to perform the Purpose, as described in Section 2. Parties shall comply with all applicable local, state and federal laws, regulations, policies and ordinances.

7. Service Interruption. Flock Services may be interrupted in the event that: (a) Flock's provision of Flock Services to Customer or any Authorized User is prohibited by applicable law; (b) any third-party services required for Flock Services are interrupted; (c) if Flock reasonably believe Flock Services are being used for malicious, unlawful, or otherwise unauthorized use; (d) there is a threat or attack on any of the Flock IP by a third party; or (e) scheduled or emergency maintenance ("**Service Interruption**"). Flock will make commercially reasonable efforts to provide written notice of any Service Interruption to Customer, to provide updates, and to resume providing access to Flock Services as soon as reasonably possible after the event giving rise to the Service Interruption is cured. Flock will have no liability for any damage, liabilities, losses (including any loss of data or profits), or any other consequences that Customer or any Authorized User may incur as a result of a Service Interruption.

8. Service Suspension. Flock may temporarily suspend Customer's and any Authorized User's access to any portion or all of the Flock IP or Flock Services if: (a) there is a threat or attack on any of the Flock IP by Customer; (b) Customer's or any Authorized User's use of the Flock IP disrupts or poses a security risk to the Flock IP or any other customer or vendor of Flock; (c) Customer or any Authorized User uses the Flock IP for fraudulent or illegal activities; (d) Customer has violated any term of this provision, including, but not limited to, utilizing Flock Services for anything other than the Purpose; or (e) any unauthorized access to Flock Services through Customer's account.

9. Ownership. Flock retains all right, title and interest in and to the Flock Service, Flock IP, and its components or data provided by Flock to Customer. Customer further acknowledges that Flock retains the right to use the foregoing for any purpose in Flock's sole discretion. Except as

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provided herein, Customer acknowledges that it neither owns nor acquires any rights, title or interest in Flock IP or Captured Data. If Customer or Authorized User provides any suggestions or other information relating to the subject matter hereunder, Customer or Authorized User hereby assigns to Flock all right, title and interest (including intellectual property rights) with respect to or resulting from any of the foregoing. There are no implied rights.

10. Warranty. Flock Services are provided "As Is". Flock disclaims all warranties, express or implied, including, but not limited to, implied warranties of merchantability and fitness for a particular purpose as to Flock Services and Captured Data.

11. Financial Implications to Customer. No financial commitment by Customer is required to access the Flock Services or Captured Data under this MOU.

12. Termination for Convenience. Either Party may terminate this MOU for its convenience at its sole discretion by providing thirty (30) days prior written notice of termination, effective immediately after such notice. Upon termination of this MOU, Customer will immediately cease all use of Flock Services.

13. Indemnification. Each Party to this MOU shall assume the responsibility and liability for the acts and omissions of its own employees, deputies, officers, or agents, in connection with the use of Flock Services. To the extent permitted by law, Parties shall indemnify and hold harmless each other against any suits, claims, actions, complaints, or liability of any kind, which relate to the use of or reliance on Flock Services. For tort liability purposes, no participating Party shall be considered the agent of the other participating Party. Each Party to this MOU shall be liable (if at all) only for the torts of its own officers, agents, or employees. Under no circumstances shall this MOU be interpreted to create a partnership or joint venture.

14. Limitation of Liability.

14.1. Limitation on Direct Damages. TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW, IN NO EVENT SHALL FLOCK, ITS OFFICERS, DIRECTORS, AGENTS, EMPLOYEES OR REPRESENTATIVES BE LIABLE FOR ANY AMOUNT GREATER THAN \$100 IN UNITED STATES CURRENCY, WITHOUT REGARD TO WHETHER SUCH CLAIM IS BASED IN CONTRACT, TORT (INCLUDING NEGLIGENCE OR STRICT LIABILITY), PRODUCT LIABILITY OR OTHERWISE.

14.2. Waiver of Consequential Damages. IN NO EVENT SHALL FLOCK OR ITS LICENSORS OR SUPPLIERS BE LIABLE FOR ANY INDIRECT, SPECIAL, PUNITIVE OR CONSEQUENTIAL DAMAGES, INCLUDING, WITHOUT LIMITATION, LOSS OF DATA OR LOSS OF PROFITS, WITHOUT REGARD TO WHETHER SUCH CLAIM IS BASED IN CONTRACT, TORT (INCLUDING NEGLIGENCE), PRODUCT LIABILITY OR OTHERWISE, EVEN IF FLOCK HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES.

15. Confidentiality.

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15.1. Obligations. During the performance of services and Customer's use of the Flock Services under this Agreement it may be necessary for a Party to provide the other with certain information considered to be proprietary or confidential by the disclosing Party. The disclosure of such confidential information shall be subject to the following terms and conditions.

15.1.1. "**Confidential Information**" shall mean any material, data, systems, procedures and other information of or with respect to disclosing Party that is not be accessible or known to the general public, including information concerning its hardware, business plans or opportunities, business strategies, finances, employees, object code, source code, formulae, algorithms, financial data, clients, employees, software development plans, software support and third-party proprietary or other information that disclosing Party treats as confidential. The receiving Party shall not use, publish or divulge any Confidential Information of the disclosing Party except (i) in connection with receiving Party's provision of software and services pursuant to this Agreement, (ii) to receiving Party's officers, directors, employees, agents and contractors who need to know such information to enable receiving Party to provide software and services pursuant to this Agreement, or (iii) with the prior written consent of disclosing Party, provided that disclosing Party may withhold such consent in its sole discretion.

15.1.2. Each Party shall protect the other's Confidential Information with the same degree of care normally used to protect its own similar Confidential Information, but in no event less than that degree of care that a reasonably prudent business person would use to protect such information. The obligations of each Party to protect Confidential Information received from the other Party shall not apply to information that is publicly known or becomes publicly known through no act or failure to act on the part of the recipient. All provisions of this MOU concerning this section herein, shall survive any termination of this MOU.

15.2. Exclusions. Confidential Information shall not include any information that is (i) already known to the receiving Party at the time of the disclosure; (ii) publicly known at the time of the disclosure or becomes publicly known through no wrongful act or failure of the receiving Party; (iii) subsequently disclosed to the receiving Party on a non-confidential basis by a third-party not having a confidential relationship with the other Party hereto that rightfully acquired such information; or (iv) communicated to a third party by the receiving Party with the express written consent of the other party hereto. A disclosure of Confidential Information that is legally compelled to be disclosed pursuant to a subpoena, summons, order or other judicial or governmental process or the Freedom of Information Act or Public Records Request shall not be considered a breach of this MOU; provided the receiving Party provides prompt notice of any such subpoena, order, or the like to the other Party so that such Party will have the opportunity to obtain a protective order or otherwise oppose the disclosure.

16. Entire Agreement. This MOU is complete and contains the entire understanding between the Parties relating to the provision of Flock Services, the sharing of Captured Data, and

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Confidential Information by and between Flock and Customer. This MOU supersedes any and all other agreements between the Parties. This Agreement is non-assignable by either Party.

17. Severability. Nothing in this MOU is intended to conflict with or violate State or Federal laws, regulations, policies, etc. If a term or provision of this MOU is inconsistent with a law or authority, then that term or provision shall be invalid, but the remaining terms and provisions shall remain in full force and effect. If any provision of this MOU is found to be unenforceable, unlawful, or void, the provision shall be deemed severable from the MOU and shall not affect the validity of the remaining provisions.

18. Miscellaneous. All notices under this Agreement will be in writing and will be deemed to have been duly given when received, if personally delivered; when receipt is electronically confirmed, if transmitted by email; the day after it is sent, if sent for next day delivery by recognized overnight delivery service; and upon receipt, if sent by certified or registered mail, return receipt requested. All notices will be provided to the email or mailing address listed in this Agreement. This MOU shall be governed by the laws of the state in which the Customer is located, excluding its conflict of laws rules. The parties agree that the United Nations Convention for the International Sale of Goods is excluded in its entirety from this MOU.

IN WITNESS WHEREOF, Flock and the Customer have caused this MOU to be signed on the date set forth below and be effective on the last date specified below.

FLOCK GROUP, INC.

Montague County SO

By: _____

By: _____

Mark Smith

Sheriff Marshall Thomas

Name: _____

Name: _____

Title: _____

Title: _____

Date: _____

Date: _____



DISPOSITION SERVICES
74 WASHINGTON AVENUE NORTH
BATTLE CREEK, MICHIGAN 49037-3092

CLEAR FORM

Law Enforcement Support Office (LESO)
Application for Participation / Authorized Screeners Letter

(This form is for State/Local Law Enforcement Agencies (LEA) only)

**Indicates Required Fields*

SECTION 1:

*Agency Name: Originating Agency Identifier (ORI) #: (if applicable)
 *Agency Physical Address: *City:
 *State: *Zip Code: *NCIC P.O. Box or Address (if different than above i.e., terminal location)
 *Phone #: *Email: Note: Email is needed for automated system notifications.

Agency MUST have at least 1 full-time officer to participate in the program. Indicate the number of compensated officers with arrest and apprehension authority. Part-time field MUST be filled in: N/A, 0 or - is acceptable. *Full-time: *Part-time:

RTD Screener - RTD Screeners MUST be employed by the aforementioned LEA. Individuals identified below may request access to act as an authorized "RTD Screener" on behalf of this Law Enforcement Agency. Agency MUST have at least 1 RTD Screener. Enter "XXXXX" or "N/A" into all screener fields not used.

#1 *Official Title / Rank *First Name *Last Name
 *Email *Phone Number POC (Aircraft/Small Arms/Vehicle)

#2 *Official Title / Rank *First Name *Last Name
 *Email *Phone Number POC (Aircraft/Small Arms/Vehicle)

#3 *Official Title / Rank *First Name *Last Name
 *Email *Phone Number POC (Aircraft/Small Arms/Vehicle)

#4 *Official Title / Rank *First Name *Last Name
 *Email *Phone Number POC (Aircraft/Small Arms/Vehicle)

#5 *Official Title / Rank *First Name *Last Name
 *Email *Phone Number POC (Aircraft/Small Arms/Vehicle)

#6 *Official Title / Rank *First Name *Last Name
 *Email *Phone Number POC (Aircraft/Small Arms/Vehicle)

#7 *Official Title / Rank *First Name *Last Name
 *Email *Phone Number POC (Aircraft/Small Arms/Vehicle)

SECTION 2:

RESERVED FOR LAW ENFORCEMENT AGENCY USE ONLY

Law Enforcement Agency/Activity - The LESO Program defines this as a Governmental agency/activity whose primary function is the enforcement of applicable Federal, State and Local laws and whose compensated Law Enforcement officers have the powers of arrest and apprehension.

I certify that my agency meets the definition of a "Law Enforcement Agency/Activity" as described above. I certify that all information contained in this application is valid and accurate. I understand that I must provide my State Coordinator an application to update my agency participant information if the following information changes: a) Chief Law Enforcement Official (CLEO) changes, b) Agency physical address changes, c) RTD Screener additions/deletions, d) that my agency is abiding by the current version of the LESO approved State Plan of Operation (SPO) and any SPO Addendum(s) and e) that my agency has a signed copy of the SPO and any SPO Addendum(s) on file.



I am signing this document as the CLEO of this law enforcement agency.

*(Check only one): In my official position or as Acting/Interim, I am authorized to sign documents on behalf of the CLEO for this agency. If checked, please provide appropriate documentation (i.e., current department policy, agency memorandum or other suitable documentation that provides such signature authority to the individual holding that official position).

By signing this application, I certify that my Agency will comply with U.S. Code 2576a for all controlled property, which states; With the authorization of the relevant local governing body or authority, that my agency has adopted publically available protocols for the appropriate use of controlled property, the supervision of such use, and the evaluation of the effectiveness of such use, including auditing and accountability policies; and that it provides annual training to relevant personnel on the maintenance, sustainment, and appropriate use of controlled property. I certify under penalty of perjury that the foregoing is true and correct. Making a false statement may result in judicial actions or prosecution under 18 USC § 1001.

SHERIFF

*TITLE

MARSHALL


*PRINTED FIRST NAME:

THOMAS

*PRINTED LAST NAME:

mthomas@montaguesheriff.com

*EMAIL



*SIGNATURE

04/23/2024

*DATE

SECTION 3:

RESERVED FOR STATE COORDINATORS OFFICE USE ONLY

By signing this application, I certify that as the State Coordinator/State Point of Contact, I have determined that: a) the agency meets the definition of a "Law Enforcement Agency/Activity" as described in Section 2, b) that all information contained in this application is valid and accurate, c) that the LEA is abiding by the current version of the LESO approved State Plan of Operation (SPO) and any SPO Addendum(s) and d) that the LEA has a signed copy of the SPO and any SPO Addendum(s) on file.

*PRINTED NAME FIRST & LAST

*SIGNATURE

*DATE

SECTION 4:

RESERVED FOR LESO USE ONLY

NOTICE FOR DLA DISPOSITION SERVICES PERSONNEL: Regulatory guidance outlining Screener Identification and Authorization must be accomplished in accordance with DOD 4160.21-M, Volume 3, Enclosure 5, Section 3 (k). In accordance with the aforementioned reference, the LESO Program authorizes the individuals identified in Section 1 of this form to screen excess property at your facilities as authorized participants in the LESO Program. This authorized screener letter supersedes all previously issued screener letters for this Law Enforcement Agency/Activity and is valid only on or after the date signed by authorized LESO signatory. Only two individuals authorized to screen per visit; however, additional personnel may assist receiving material previously screened and approved for transfer.

*This agency is authorized to screen items via the LESO Program under authorized Agency DODAAC:

LESO Notes:

*Screener letter is valid one year from this date. Note: After one year from the LESO signatory date, the screener letter is no longer valid. LEAs may request a new screener letter through their SC/SPOC.

*SIGNATURE

State Plan of Operation (SPO) between:

The State of Texas and the *(State/United States Territory)*

Law Enforcement Agency (LEA)

1) PURPOSE This State Plan of Operation (SPO) is entered into between the State/United States (U.S.) Territory and Law Enforcement Agency (as identified above), to set forth the terms and conditions which will be binding on the parties with respect to Department of Defense (DoD) excess personal property conditionally transferred pursuant to 10 USC § 2576a, in order to promote the efficient, expeditious transfer of property and to ensure accountability of the same.

2) AUTHORITY The Secretary of Defense (SECDEF) is authorized by 10 USC § 2576a to transfer to Federal and State Law Enforcement Agencies (LEAs), personal property that is excess to the needs of the DoD, including small arms and ammunition, that the Secretary determines is suitable to be used by such agencies in law enforcement activities, with preferences for counter-drug/counter-terrorism, disaster-related emergency preparedness or border security activities, under such terms prescribed by the Secretary. The SECDEF has delegated program management authority to the DLA. The DLA Disp Svcs LESO administers the program in accordance with (IAW) 10 USC § 2576a, 10 USC § 280, DoDM 4160.21 and DLAI 4140.11. The DLA defines "law enforcement activities" as activities performed by governmental agencies whose primary function is the enforcement of applicable federal, State, and local laws and whose compensated law enforcement officers have powers of arrest and apprehension.

3) GENERAL TERMS AND CONDITIONS "DoD excess personal property" also known as "items", "equipment", "program property", or "property". "DLA Disposition Services Law Enforcement Support Office" also known as "1033 Program", "LESO Program", "the program", or "LESO". "State or U.S. Territory" also known as "the State", "State Coordinator (SC)", "State Point of Contact (SPOC)", or "SC/SPOC". "Law Enforcement Activities" also known as "agencies in law enforcement activities", "Law Enforcement Agency (LEA)", "program participant", or "State/LEA".

a) Property made available under this agreement is not for personal use and is for the use of authorized program participants only. All requests for property shall be based on bona fide law enforcement requirements. Authorized participants who receive property from the program will not loan, donate, or otherwise provide property to other groups or entities (i.e., public works, county garage, schools, etc.) that are not otherwise authorized to participate in the program. Property will not be obtained by program participants for the purpose of sale, lease, loan, personal use, rent, exchange, barter, transfer, or to secure a loan. To receive such property, on an annual basis the LEA shall certify that they have:

- i) Obtained authorization of the relevant local governing body authority (i.e., city council, mayor, etc.).
- ii) Adopted publicly available protocols for the appropriate use of controlled property, the supervision, and the evaluation of the effectiveness of such use, including auditing and accountability policies.
- iii) Annual training in place and provides it to relevant personnel on the maintenance, sustainment, and appropriate use of controlled property, including respect for the rights of citizens under the Constitution of the U.S. and de-escalation of force.

b) All costs associated with the transportation, turn-in, transfer, repair, maintenance, insurance, disposal, repossession or other expenses related to property are the sole responsibility of the LEA. The LEA shall also be responsible to reimburse the U.S Government (USG) for costs incurred in retrieving and/or repossessing property impermissibly transferred by the LEA to unauthorized participants.

c) The LEA will maintain and enforce regulations designed to impose adequate security and accountability measures for controlled property to mitigate the risk of loss or theft of property. Program participants shall implement controls to ensure property made available under this agreement is used for official law enforcement use only. The State/LEA shall take appropriate administrative and/or disciplinary action against individuals that violate provisions of the Memorandum of Agreement (MOA) between the Federal Government and the State/U.S. Territory and/or this SPO, including unauthorized use of property.

d) All property transferred to the LEA via the program is on an as-is, where-is basis.

e) LESO reserves the right to recall property issued to a LEA at any time.

f) General use of definitions/terms:

i) Demilitarization (DEMIL code)-a code assigned to DoD property that indicates the degree of required physical destruction, identifies items requiring specialized capabilities or procedures, and identifies items which do not require DEMIL but may require Trade Security Controls (TSC). Program participants are not authorized to conduct physical demilitarization of property.

ii) "Controlled property"-items with a DEMIL code of B, C, D, E, F, G, and Q (with an Integrity Code of "3". Title and ownership of controlled property remains with the DoD in perpetuity and will not be relinquished to the LEA. When a LEA no longer has a legitimate law enforcement use for controlled property, they shall notify the LESO and the property will be transferred to another program participating LEA (via standard transfer process) or returned to DLA Disp Svcs for disposition.

iii) "Non-controlled" property"-items with a DEMIL code of A or Q (with an Integrity Code of "6"). These items are conditionally transferred to the LEA and will remain on LEA accountable inventory for one year from the ship date. However, after one year from the ship date, DLA will relinquish ownership and title for the property to the LEA without issuance of further documentation. During this one year period, the LEA remains responsible for the accountability and physical control of the property and the LESO retains the right to recall the property. Participants should return any property in this one year period that becomes excess to their needs or they otherwise determine is not serviceable.

(1) The LEA receives title and ownership of DEMIL "A" and "Q6" property as governmental entities. Title and ownership of this property does not pass from DoD to any private individual or LEA official in their private capacity. Such property shall be maintained and ultimately disposed of IAW provisions in State and local laws that govern public property.

(2) Sales/gifting of DEMIL "A" and "Q6" property after one year from the ship date inconsistent with State/local law may constitute grounds to deny future participation in the program.

(3) After one year from ship date, DEMIL "A" and "Q6" property may be transferred, cannibalized for usable parts, sold, donated, or scrapped.

(4) Once the property is no longer on the LEA accountable inventory, the property is no longer subject to the annual physical inventory requirements and will not be inventoried during a LESO Program Compliance Review (PCR).

g) All physical transfers of property require LESO approval. Program participants will not physically transfer property until the LESO approval process is complete. Program participants may request their SC/SPOC approval to temporarily conditionally loan property to another program participant (if mission requires). If the SC/SPOC approves the temporary conditional loan, it shall be done using an acceptable Equipment Custody Receipt (ECR). At the end of the temporary conditional loan, the item (s) shall be returned to the original LEA for accountability. All requests for conditional loans will be based on bona fide law enforcement requirements.

h) The program may authorize digital signatures on required program documentation.

i) The LEA is not required to maintain insurance on controlled property, aircraft or other property with special handling requirements that remain titled to DoD. However, the LEA will be advised that if they elect to carry insurance and the insured property is on the program inventory at the time of loss or damage, the recipient will submit a check made payable to DLA for insurance proceeds received in excess of their actual costs of acquiring and rehabilitating the property prior to its loss, damage, or destruction.

4) STATE PLAN OF OPERATION The State shall:

a) Assist in training LEAs with enrollment, property requests, transfers, turn-ins, and disposal procedures.

b) Adhere to the requirements outlined in the MOA between the Federal Government and the State/U.S. Territory and ensure MOA amendments or modifications are incorporated into this SPO and program participants are notified and acknowledge responsibility to comply with changes.

c) Submit a SPO to LESO that shall address procedures for determining LEA eligibility, allocation, equitable distribution of property, accountability, inventory, training, and education, State-level internal PCRs, export control requirements, procedures for turn-in, transfer, and disposal and other responsibilities concerning property.

d) Enter into written agreement with each LEA, via the LESO-approved SPO, to ensure program participants acknowledge the terms, conditions, and limitations applicable to property. This SPO must be signed by the current Chief Law Enforcement Official (CLEO) (or designee), the Civilian Governing Body Official (CGB)(or designee) and the current SC/SPOC.

e) Provide program participants the following information:

i) The LESO Program State POCs:

State Coordinator (SC): Michelle Farris

State Point of Contact (SPOC): Rolando Ayala

State Point of Contact (SPOC): John Riddick

State Point of Contact (SPOC): Patricia Deaver

ii) SC/SPOC Facility Information:

Physical Mailing Address: 5805 N. Lamar Blvd Bldg G Austin, Texas 78752

Email: TxLESOProgram@dps.texas.gov

Phone Number: (512) 424-7590

Website: https://www.dps.texas.gov/section/texas-leso-program/texas-leso-program

Hours of Operation: 7:00AM – 5:00PM (CST)

iii) Funding to administer the LESO Program at the State-level is provided via:

The Governor of the State of Texas has appointed the Texas Department of Public Safety to conduct

management and oversight of this program. All funding and staffing will be provided by the Texas Department of Public Safety.

5) PROPERTY ACCOUNTING SYSTEM The State will maintain access to Federal Excess Property Management Information System (FEPMIS) (or current property accounting system), to ensure LEAs maintain property books, to include, but not limited to, transfers, turn-ins, and disposal requests from an LEA or to generate these requests at the State-level and forward all approvals to the LESO for action. The State will:

- a) Conduct quarterly reconciliations of State property records.
- b) Ensure at least one person per LEA maintains access to the property accounting system. Users may be “active” or “inactive” in the system, so long as they are registered. Ensure registered users are employees of the LEA.
- c) Ensure LEAs receive and account for property in the property accounting system within 30 days.

6) LESO WEBSITE The State shall access the LESO website for timely and accurate guidance, information, and links concerning the program and ensure that all relevant information is passed to the program participants.

The LEA shall access the Texas LESO website at <https://www.dps.texas.gov/section/texas-leso-program/texas-leso-program>, for timely and accurate guidance, information, forms and links concerning the program.

7) ANNUAL TRAINING 10 USC § 280 provides that the SECDEF, in cooperation with the U.S. Attorney General, shall conduct an annual briefing of law enforcement personnel of each State (including law enforcement personnel of the political subdivisions of each State). Individuals who wish to attend are responsible for funding their own travel expenses. The briefing will include information on training, technical support, equipment, and facilities that are available to civilian law enforcement personnel from the DoD. The state shall provide program participants training material as discussed during the annual LESO training which includes information on property management best practices to include (but not limited to) searching for property, accounting for property on inventory, transfer and turn-in of property when it is no longer needed or serviceable.

8) ENROLLMENT The LESO shall establish and implement program eligibility criteria IAW 10 USC § 2576a, DLA Instructions and Manuals and this SPO and retains final approval/disapproval authority for application packages forwarded by the State. Non-governmental law enforcement entities such as private railroad police, private security, private academies, correctional departments, prisons, or security police at private schools/colleges are not eligible to participate. Fire departments (by definition) are not eligible to participate and should be referred to the DLA Fire Fighter program administered by USDA. Law enforcement agencies requesting program participation shall have at least one full-time compensated law enforcement officer. Program property may only be issued to full-time/part-time law enforcement officers. Non-compensated reserve officers are not authorized to receive property. State law enforcement training facilities/ academies may be authorized to participate in the program given their primary function is the training of bona fide State/local law enforcement officers. Law enforcement training facilities/academies will be reviewed on a case-by-case basis. The State shall:

- a) Validate the authenticity of LEAs that are applying for program participation. Only submit to the LESO those application packages that the SC/SPOC recommends/certifies are government agencies whose primary function is the enforcement of applicable federal, State, and local laws and whose compensated officers have the powers of arrest and apprehension. If the State forwards an unauthorized participant application package, this may result in a formal suspension of the State.
- b) Have sole discretion to disapprove LEA application packages in their State. The SC/SPOC should provide notification to the LESO when application packages are disapproved at the State-level.

- c) Ensure that screeners listed in the application package are compensated employees of the LEA and are TCOLE certified peace officers. A screener may only screen property for two LEAs. Contractors may not conduct screening on behalf of a LEA.
- d) Make recommendation on what constitutes a “full-time” or “part-time” law enforcement officer.
- e) Ensure LEAs update their account information annually, or as needed. This may require the LEA to submit an updated application package. An updated application package shall be submitted for (but is not limited to) the following: a change in CLEO, the addition or removal of a screener, a change in the LEA physical address or contact information, etc.
- f) Provide the LEA a comprehensive program overview once approved by the LESO for enrollment. The overview will be done within 90-days of a LEA being approved to participate.

The LEA shall:

- a) Submit an updated application packet annually to the Texas SC/SPOC office no later than June 30. Any time there is a change in personnel, CLEO, contact information etc, the LEA shall submit an updated application packet within 30 days of the change.
- b) Once approved for participation in the program, at least one of the LEA’s authorized screeners must attend a mandatory training class within (6) months and prior to approval of property requests. The class will be conducted free of charge to the LEA and will be held at a location determined by the Texas SC/SPOC office. Screeners who may have been previously employed by and screeners for other LEA’s, may still be required to attend training as the training qualifies the LEA, not the individual.
- c) Upon completion of the mandatory training, at least one of the LEA’s authorized screeners (preferably the one who completed the training), must create an account in the current property accounting system and maintain said account for the duration of the LEAs participation in the program, regardless if the LEA ever receives property from the program.
- d) Failure to complete all parts of the enrollment process listed above within (6) months of approval for participation, will result in the LEA being deactivated from the program. Once deactivated, an LEA may not apply for reactivation until the end of the following annual inventory cycle.
- e) LEA transfer of responsibility of program property assigned to the LEA. A change in CLEO, due to any reason, will not relinquish responsibility from the LEA for properly maintaining accountability of any and all assigned program property. If the new CLEO does not wish for his/her agency to continue participation in the program, the CLEO will notify the Texas SC/SPOC office in writing that they wish to return all assigned property to their assigned Disposition Site and/or transfer it to another participating LEA and exit the program. The new CLEO remains responsible for any and all assigned property until it is officially transferred or returned and the LEA’s inventory is completely cleared.

9) PROPERTY ALLOCATION

a) The LESO shall:

- i) Upon receipt of a SC/SPOC validated request for property through the RTD website, will review and give preference to requisitions indicating that the requested property will be used in the counter-drug, counter-terrorism, disaster-related emergency preparedness, or border security activities of the requesting LEA. Program participants that request vehicles used for disaster-related emergency preparedness, such as high-water rescue vehicles, should receive the highest preference.
- ii) Require additional justification for small arms, aircraft, ammunition, and vehicles and to the greatest

extent possible, ensure fair and equitable distribution of property based on current LEA inventory and justification for property.

iii) Reserve the right to determine and/or adjust allocation limits, to include the type, quantity and location of property allocated to the LEA. Generally, no more than one item (per part-time/full-time officer) will be allocated. Quantity exceptions may be granted by the LESO on a case-by-case basis based on the justification provided by the LEA. Currently, the following allocation limits apply:

- (1) Robots: one (of each type) for every ten officers (full-time/part-time).
- (2) High Mobility Multipurpose Wheeled Vehicle (HMMWV)/Up-Armored HMMWV (UAH): one vehicle for every three officers (full-time/part-time).
- (3) Mine Resistant Ambush Protected (MRAP) / Armored Vehicles: two vehicles per LEA.
- (4) Small arms: one (of each type) per officer (full-time/part-time).

(a) LESO may authorize over allocations of small arms in preparation for inevitable scenarios, i.e. training, equipment downtime (damage, routine maintenance, inspections) or other law enforcement needs. The chart below is the standard for small arms acceptable over-allocations:

Small Arms Acceptable Over-Allocations	
# of Officers	# by type
1-10	2 or less
11-25	3 or less
26-100	5 or less
101-299	8 or less
300 or more	10 or less

(b) In instances where small arm allocation amounts exceed the “acceptable over-allocation” levels, the LESO will coordinate with States to verify accuracy of the officer count. If small arm allocation is still beyond acceptable levels, LESO may authorize one of the following: 1) an exception to policy, 2) a transfer, or 3) a turn-in.

b) The State shall:

i) Assist the LEA in the use of electronic screening of property via the RTD website and shall access the RTD website a minimum of once daily (Monday-Friday) to review and process LEA requests for property. Property justifications shall be validated to ensure they meet the intent of 10 USC § 2576a as suitable for use by agencies in law enforcement activities. Prior to approving a request or transfer, review the LEAs property allocation report to prevent over allocation.

ii) Upon receipt of a valid LEA request for property, provide a recommendation to the LESO on the preference to be given to those requisitions for property that will be used in counter-drug, counter-terrorism, disaster-related emergency preparedness or border security activities of the recipient agency. Requests for vehicles used for disaster-related emergency preparedness, such as high-water rescue vehicles, should receive the highest preference. The State shall consider the fair and equitable distribution of property based on current LEA inventory and LEA justifications for property. The State shall ensure the type and quantity of property being requested by LEAs is reasonable and justifiable given the number of officers (full-time/part-time) and prior requisitions for similar items they have received (both controlled and non-controlled property). Generally, no more than one of any item per officer (full-time/part-time) will be allocated.

c) The LEA shall:

- i) Ensure that the individual who will be screening for property and submitting requests on behalf of the LEA, has completed the mandatory training and has a full understanding of the allocation limits, justification requirements and forms utilized for all requests.
- ii) Ensure that at least one person maintains access to and understands the use of the property accounting system as long as the LEA is an active participant in the LESO program.
- iii) Ensure that the individual responsible for managing the property accounting system, notifies the Texas SC/SPOC office of any property that is damaged upon receipt or is missing quantities that were requested, so that an immediate adjustment may be made prior to receipt being made in the property accounting system.

11) PROPERTY MANAGEMENT Certain controlled equipment shall have a documented chain of custody (i.e. an acceptable ECR), including a signature of the recipient. Controlled property requiring an ECR: small arms (including parts and accessories), aircraft, vehicles, optics, and robots. It is encouraged to utilize ECRs for all controlled property. LEAs may request cannibalization on aircraft or vehicles. Cannibalization requests shall be submitted to the State for review. Cannibalization must be approved by the LESO prior to any cannibalization actions. The cannibalized end item shall be returned to DLA Disp Svcs within the timeframes determined by the LESO.

a) Aircraft-Aircraft will not be obtained by LEAs for the purpose of sale, lease, loan, personal use, rent, exchange, barter, transfer, or to secure a loan and shall be reported to the LESO at the end of their useful life. All aircraft are considered controlled property, regardless of DEMIL code. Aircraft that are no longer needed or serviceable shall be reported to the General Services Administration (GSA) for final disposition by the LESO Program Aircraft Specialist.

b) Vehicles-Program participants that request vehicles used for disaster-related emergency preparedness, such as high-water rescue vehicles, should receive the highest preference. Vehicles will not be obtained by LEAs for the purpose of sale, lease, loan, personal use, rent, exchange, barter, transfer, or to secure a loan and vehicles that are considered controlled property will be returned to DLA Disp Svcs at the end of their useful life. DLA Disp Svcs Field Activity/Site will identify qualifying DEMIL A or Q6 vehicles and may issue (upon LEA request) a Standard Form (SF) SF-97 to the LEA upon physical transfer of the vehicle. The LEA may modify the vehicle during the one year conditional transfer period.

c) Ammunition-LESO will support the U.S. Army (USA), in allocating ammunition to program participants. Ammunition obtained via the program will be for training use only. At the time of request, the LEA will certify in writing that the ammunition will be used for training use/purposes only. The USA will issue approved transfers directly to the LEA. The LEA is responsible for funding all packing, crating, handling, and shipping costs for ammunition. The LEA will make reimbursements directly to the USA. Ammunition will not be obtained by LEAs for the purpose of sale, lease, loan, personal use, rent, exchange, barter, transfer, or to secure a loan. Ammunition obtained via the program shall not be sold. Ammunition will be treated as a consumable item and not tracked in any DLA inventory system or inspected during PCRs. LESO shall track and maintain necessary records of ammunition that has been transferred to LEAs and will post all requests, approvals, and denials on the LESO public website.

d) Small arms:

- i) Small arms will not be obtained by LEAs for the purpose of sale, lease, loan, personal use, rent, exchange, barter, transfer, or to secure a loan and shall be returned to DLA Disp Svcs at the end of their useful life. Cannibalization of small arms is not authorized.

ii) Temporary modifications to small arms are authorized; permanent modifications to small arms are not authorized (i.e. drilling holes in the lower receiver of a small arm). In cases of temporary modifications, all parts are to be retained and accounted for in a secured location under the original serial number for the small arm until final disposition is determined. If the modified small arm is transferred to another LEA, all parts will accompany the small arm to the receiving LEA.

iii) Small arms will be issued utilizing an acceptable ECR which obtains certain information about the property being issued to include (but is not limited to) the signature of the law enforcement officer who is accepting responsibility for the small arm(s), the serial number of the small arm, the date in which the law enforcement officer took possession of the small arm, etc.

iv) Small arms that are not carried on an officer's person or in the officer's immediate physical vicinity will be secured using "two levels of physical security". Two levels of physical security meaning two distinct lockable barriers, each specifically designed to render a small arm inaccessible and unusable to unauthorized persons. Lockable barriers meeting this description may be either manual or electronic.

v) Program participants no longer requiring program small arm(s) shall request authorization to transfer the small arm to another participating LEA or request authorization to turn-in/return the small arm. Transfers and turn-in requests shall receive final approval from the LESO; small arms will not physically move until the LESO provides official notification that the approval process is complete. When turning-in small arms to Anniston Army Depot, the LEA shall follow LESO turn-in guidance.

vi) Local destruction (DEMIL) of small arms is not authorized.

vii) Lost, Stolen or Destroyed (LSD) small arms:

(1) Program participants with multiple instances of LSD small arms in a five-year window will be assessed by DLA Disp Svcs to determine if a systemic problem exists IAW DLAI 4140.11.

(2) DLA OIG investigations may be initiated if small arms are improperly disposed of or become LSD while in program inventory. The LEA may be required to reimburse DLA the fair market value of the small arms when negligence, willful misconduct, or a violation of the MOA between the Federal Government and the State/U.S. Territory and/or this SPO is confirmed at the conclusion of the Financial Liability Investigation of Property Loss (FLIPL).

(a) Reimbursement will be within 60-days of the completion of the FLIPL.

(b) Title will never transfer to the recipient regardless of the status of the small arm.

(c) Payments due to DLA Disp Svcs, based upon the findings of the FLIPL, may be paid by one of three methods: 1) credit card via pay.gov, 2) cashier/ business check, or 3) wire transfer.

(3) In instances of LSD small arm recovery, DoD retains title in perpetuity and the small arm shall be immediately relinquished/surrendered back to the program.

11) PROGRAM COMPLIANCE REVIEWS (PCR)

a) The LESO shall:

i) Conduct PCRs to ensure that the SC/SPOC, and all LEAs within a State are compliant with the terms and conditions of the program as required by 10 USC § 2576a, the MOA between the Federal Government and the State/U.S. Territory and/or this SPO and any DLA Instructions and manuals regarding the

program. PCRs are conducted to ensure property accountability, program compliance, and program eligibility.

- ii) Conduct PCRs for participating States every 2 years, providing training to the State/LEA as needed.
- iii) Reserve the right to conduct no notice PCRs, or require an annual review, or similar inspection, on a more frequent basis for any State/LEA.
- iv) Intend to physically inventory 100% of property selected for review at each LEA during a PCR. The use of ECRs in lieu of physical inspection is discouraged during PCRs. Extensive use of the ECR (without prior coordination with LESO) may result in a non-compliance finding during the PCR.
- v) Intend to review as much property as possible during a PCR.
 - (1) The goal is to review 20% of a State's overall small arms inventory.
 - (2) The goal for inventory selections (at LEAs selected for review) is 15% of an LEAs general property to include non-controlled property (DEMIL code A and Q6).
- vi) Select LEAs not visited during the last three regularly scheduled PCR cycles (as applicable).
- vii) Recommend corrective actions (which may include suspending a State/LEA from program participation) for findings of non-compliance identified during a PCR.
 - (1) The LESO shall issue corrective actions (with suspense dates) to the State, which will identify what is needed to rectify the identified deficiencies within the State/LEA.
 - (2) If the State/LEA fails to correct identified deficiencies within the LESO suspense dates, the LESO may move to restrict, suspend, or terminate the State/LEA from program participation.
 - (3) States found non-compliant for a PCR will be suspended for a minimum of 60-days and will not be reinstated until the State successfully passes a LESO-conducted PCR.
- viii) Ensure the State/LEA understand that property shall be transferred to a participating agency with SC/SPOC and LESO approval or returned to DLA Disp Svcs when no longer needed or serviceable.

b) The State shall:

- i) Assist the LESO as required, prior to, during and upon completion of the PCR.
- ii) Assist in the coordination of the PCR daily schedule of events and forward the schedule to LEAs that have been selected for review.
- iii) Contact LEAs that have been selected for the PCR via phone, email or in person to ensure they are aware of the schedule and are prepared for the PCR.
- iv) Receive inventory selections from the LESO and forward them to the selected LEAs. The State shall ensure the LEA physically gathers the selected property in a central location (to the greatest extent possible) which will allow the LESO to physically inventory the property efficiently during the PCR.
- v) Coordinate the use of any ECR with the LESO prior to the PCR.
- vi) Ensure LEAs understand property shall be transferred to a participating agency with SC and LESO approval or returned to DLA Disp Svcs when deemed no longer needed or serviceable.

vii) Conduct State-level (internal) PCRs of participating LEAs to ensure property accountability, program compliance and program eligibility utilizing a PCR checklist provided by the LESO, or equivalent (for uniformity purposes).

(1) Ensure a State-level (internal) PCR of at least 8% of LEAs with program inventory is completed annually (3% of which will be focused on program participants with no controlled property). Results of the State-level (internal) PCR will be kept on-file with the State. Documentation shall be provided to the LESO for each LEA that received a State-level PCR.

(2) The State-level (internal) PCR will include, at minimum:

(a) A review of the dually-signed SPO, ensuring it is uploaded to the property accounting system.

(b) A review of the LEA application package to confirm authenticity and eligibility of the LEA.

(c) An inventory of property selected for review at each LEA.

(d) A review of each selected LEA files for any of the following which may include turn-in/transfer DD Form 1348-1A, ECR, small arm documentation, FLIPL documents, exception to policy letters, approved cannibalization requests, or other pertinent documentation as required.

(3) Request that the LESO restrict, suspend or terminate an LEA based on findings during State-level internal PCR or due to non-compliance with terms of the MOA between the Federal Government and the State/U.S. Territory and/or this SPO, DLA Instruction/Manual or any statute or regulation regarding the program.

(4) Notify the LESO and initiate an investigation into any questionable activity or action involving property issued to a LEA that comes to the attention of the State and is otherwise within the authority of the Governor/State to investigate. Upon conclusion of any such investigation, take appropriate action and/or make appropriate recommendations on restriction, suspension, or termination of the LEA to the LESO. The SC may suspend or terminate a LEA participation in the program at any time for non-compliance.

c) The LEA shall:

i) Agree to comply with all requests and requirements pertaining to both a LESO PCR and an internal State PCR, including, but not limited to the following:

1) Ensuring all program property and files that are requested to be seen by either the LESO or SC/SPOC, are available on the date/time selected.

2) Ensuring all program property is laid out in an orderly fashion and easily accessible by the LESO or SC/SPOC.

3) Coordinate the use of any ECR with the LESO or SC/SPOC, prior to the PCR.

4) Notify the SC/SPOC, prior to the PCR, of any LSD property, so that adjustments may be made.

5) Notify the SC/SPOC, prior to the PCR, of any property that will need to be seen at multiple locations, so that accommodations may be made ahead of the PCR date/time.

13) ANNUAL PHYSICAL INVENTORY Each State/LEA is required to conduct an annual physical inventory of all property on the active property book and provide certification in the property accounting system. DEMIL "A" and "Q6" property records will not be closed during the annual physical inventory period. In the State of Texas, the annual physical inventory and certification in the property accounting system process starts on July 1st and must be completed by August 31st. The State shall:

- a) Provide training to LEAs to properly conduct the annual physical inventory and complete the certification of property in the property accounting system.
- b) Ensure an approved and current SPO is uploaded in the property accounting system for each LEA.
- c) Validate the annual physical inventory certifications submitted by LEAs.
- d) Adhere to annual physical inventory certification requirements as identified by the LESO. Physical inventories and certification statements will be maintained on file IAW the DLA records schedule.
- e) Annually certify property is utilized and is within allocation limits IAW the MOA between the Federal Government and the State/U.S. Territory and this SPO .
- f) Recommend suspension of program participants who fail to complete or submit the certified annual physical inventory.

The LEA shall:

- a) Ensure a physical, hands-on inventory of all assigned LESO property is conducted annually prior to certifying it in the electronic property accounting system.
- b) Annually certify property is utilized and is within allocation limits IAW the SPO between the State of Texas and the participating LEA.
- c) Not certify any property that is found to be LSD and will notify the SC/SPOC office immediately.
- d) Complete the electronic certification of all assigned inventory on or before August 31st of every year.

13) REPORTING LOST, STOLEN, OR DESTROYED (LSD) PROPERTY Any property identified as LSD on a LEA current inventory, shall be reported to the State/LESO. A FLIPL (aka the DD Form 200) shall be submitted to the State/LESO for LSD property. Program participants agree to cooperate with investigations into LSD property by any federal, state, or local investigative body and, when requested, assist with recovery of LSD property.

- a) LSD controlled property shall be reported to the State/LESO within 24-hours. Program participants may be required to provide their SC/SPOC additional documentation which may include (but is not limited to):
 - 1) Comprehensive police report, 2) NCIC report/entry, and 3) Contact information for the Civilian Governing Body (CGB) over the LEA involved, to include: Title, Name, Email, and mailing address.
- b) LSD property with a DEMIL code of "A" and "Q6" shall be reported to the State/LESO within 7-days.

14) RESTRICTION, SUSPENSION OR TERMINATION Program participants are required to abide by the terms and conditions of this SPO in order to maintain active program participation status. If a LEA fails to comply with any term or condition of the SPO, DLA Instruction or Manual, federal statute or regulation, the LEA may be suspended, terminated, or placed on restricted status. Restriction, suspension, or termination notifications will

be in writing and will identify remedial measures required for reinstatement (if applicable). *Suspension*-A specified period in which an entire LEA is prohibited from requesting or receiving additional property through the program. Additional requirements may be implemented, to include the LEA requirement to return specifically identified controlled property. Suspensions will be for a minimum of 60-days. *Termination*-The removal of a LEA from program participation. The terminated LEA shall transfer or turn-in all controlled property previously received through the program at the expense of the LEA involved. *Restricted Status*-A specified period in which a LEA is restricted from receiving an item or commodity due to isolated issues with the identified item or commodity. Restricted status may also include restricting a LEA from all controlled property.

a) State termination-The SC/SPOC will coordinate with LESO to identify a realistic timeframe to complete the transfer or turn-in of all property. The LESO retains final authority to determine timeframe requirements.

b) LEA termination-The SC/SPOC will coordinate with LESO to identify a realistic timeframe to complete the transfer or turn-in of all property. The LESO retains final authority to determine timeframe requirements.

c) In the event of a termination, the LEA will make every attempt to transfer the property of the terminated LEA to an authorized LEA, as applicable, prior to requesting a turn-in of the property to DLA Disp Svcs. In cases that require a repossession or turn-in of property, the LEA will bear all expenses related to the repossession, turn-in or transfer of property to DLA Disp Svcs.

d) The State shall:

i) Suspend LEAs for a minimum of 60-days in all situations relating to the suspected or actual abuse of property or requirements and/or repeated non-compliance related to the terms and conditions of this SPO. Suspension may lead to termination. The State shall also issue corrective action guidance to the LEA with suspense dates to rectify issues and/or discrepancies that caused the restriction, suspension, or termination. The State shall require the LEA to submit results on completed police investigations and/or reports on LSD property to include the LEA CAP. The LESO retains final discretion on reinstatement requests. Reinstatement to full participation from a restriction, suspension or termination is not automatic.

ii) Initiate corrective action to rectify suspensions or terminations of the LEA for non-compliance to the terms and conditions of the program. The State shall also make contact (until resolved) with suspended LEAs to ensure corrective actions are rectified within required timeframes provided by the LESO.

iii) Require the LEA to complete and submit results on completed police investigations or reports regarding LSD property. The State will submit all documentation to LESO upon receipt.

iv) Provide documentation to LESO when actionable items are rectified for the LEA.

v) Request that the LESO suspend or terminate an LEA based upon their findings during State-level internal PCR or due to non-compliance with any term of this SPO, DLA Instruction/Manual or any statute or regulation regarding the program.

vi) Notify the LESO and initiate an investigation into any questionable activity or action involving property issued to an LEA that comes to the attention of the State and is otherwise within the authority of the Governor/State to investigate. Upon conclusion of any such investigation, take appropriate action and/or make appropriate recommendations on restriction, suspension, or termination of the LEA to the LESO. The SC may revoke or terminate concurrence for LEA participation in the program at any time.

vii) Provide written request to the LESO for reinstatement of an LEA for full participation status at the conclusion of a restriction or suspension period. Written verification shall be provided that the SC/SPOC has validated the LEA CAP.

15) RECORDS MANAGEMENT The LESO, SC/SPOC, and LEAs participating in the program will maintain program records IAW the DLA records schedule. Records for property acquired through the program have retention controls based on the DEMIL code. Property records will be filed, retained, and destroyed IAW DLA records schedule. Records may include, but are not limited to: DD Form 1348-1A for transfers, turn-ins, requisitions, Bureau of Alcohol, Tobacco, Firearms and Explosives (BATFE) Forms 5 and 10.

16) TRADE SECURITY CONTROL (TSC) and COMPLIANCE WITH EXPORT CONTROL REGULATIONS Items transferred to program participants, including DEMIL A and Q (with an Integrity Code of 6) property, may be subject to export control restrictions. Program participants shall comply with U.S. export control laws and regulations if they contemplate further transfers of any property. Once title transfers, LEAs should consult with the Department of State (DoS) and Department of Commerce (DoC) export control regulators about the type of export controls that may apply to items, regardless of DEMIL code. Program participants may request a formal Commodity Classification from the DoC, Bureau of Industry and Security (BIS), or submit a general correspondence request to the DoS, Directorate of Defense Trade Controls. Information on managing exports of CCL items can be found at the U.S. DoC Bureau of Industry and Security website. Program participants shall notify all subsequent purchasers or transferees, in writing, of their responsibility to comply with U.S. export control laws and regulations.

17) NOTICES Any notices, communications, or correspondence related to this SPO shall be provided by email, the U.S. Postal Service (USPS), express service, or facsimile to the appropriate DLA office. The LESO may (from time to time) make unilateral modifications or amendments to the provisions of the MOA between the Federal Government and the State/U.S. Territory and/or this SPO. Notice of these changes will be provided to the State in writing. Unless the State takes immediate action to terminate the MOA between the Federal Government and the State/U.S. Territory and/or this SPO, such modifications or amendments will become binding. In such cases, reasonable opportunity will (insofar as practicable) be afforded the LEA to conform to changes affecting their operations.

18) ANTI-DISCRIMINATION By signing or accepting property, the LEA pledges agreement to comply with provisions of the national policies prohibiting discrimination: 1) On the basis of race, color, or national origin, in Title VI of the Civil Rights Act of 1964 (42 USC 2000d et seq.) as implemented by DoD regulations 32 CR Part 195, 2) On the basis of age, in the Age Discrimination Act of 1975 (42 USC 6101, et seq) as implemented by Department of Health and Human Services regulations in 45 CFR Part 90 and 3) On the basis of handicap, in Section 504 of the Rehabilitation Act of 1973, P.L. 93-112, as amended by the Rehabilitation Act Amendments of 1974, P.L. 93-516 (29 USC 794), as implemented by Department of Justice (DoJ) regulations in 28 CFR Part 41 and DoD regulations at 32 CFR Part 56. These elements are the minimum essential ingredients for establishment of a satisfactory business agreement between the State and the DoD.

19) INDEMNIFICATION CLAUSE The LEA is required to maintain adequate liability insurance to cover damages or injuries to persons or property relating to the use of property issued under the program. Self-insurance by the LEA is considered acceptable. The USG assumes no liability for damages or injuries to any person(s) or property arising from the use of property issued under the program. It is recognized that State and local law generally limit or preclude the LEA from agreeing to open ended indemnity provisions. However, to the extent permitted by State and local laws, the LEA shall indemnify and hold the USG harmless from any and all actions, claims, debts, demands, judgments, liabilities, cost, and attorney's fees arising out of, claimed on account of, or in any manner predicated upon loss of, or damage to property and injuries, illness or disabilities to, or death of any and all persons whatsoever, including members of the general public, or to the property of any legal or political entity including States, local and interstate bodies, in any manner caused by or contributed to by the LEA, its agents, servants, employees, or any person subject to its control while the property is in the possession of, used by, or subject to the control of the LEA, its agents, servants, or employees after the property has been removed from USG control.

20) TERMINATION This SPO may be terminated by either party, provided the other party receives a thirty (30) day notice (in writing) or as otherwise stipulated by Public Law. The undersigned SC, CLEO and CGB hereby agrees to comply with all provisions set forth herein and acknowledges that any violation of the terms and conditions of this SPO may be grounds for immediate termination and possible legal consequences, to include pursuit of criminal prosecution if so warranted.

21) AGREEMENT OF PARTIES The parties below agree to enter this agreement as of the last date below:

Governor-appointed SC/SPOC, State of Texas:

Full Name (Print): Michelle Farris

Signature (Sign): _____ Date (MM/DD/YYYY): _____

Chief Law Enforcement Official (CLEO) (or designee):

Title (Print): SHERIFF

Full Name (Print): MARSHALL THOMAS

Signature (Sign):  Date (MM/DD/YYYY): 04/23/2024

Civilian Governing Body Official (CGB) (or designee):

Title (Print): COUNTY JUDGE

Full Name (Print): KEVIN BENTON

Signature (Sign): _____ Date (MM/DD/YYYY): _____



Montague Sheriff

System Proposal for:

Date: 2/7/2024

Proposal # 240129001R1

Qty Model # Description

Unit Price Extended Price

HGAC Unit Price HGAC Ext. Price

Dispatch Position Items

Qty	Model #	Description	Unit Price	Extended Price	HGAC Unit Price	HGAC Ext. Price
2	750M-MAXplus	The Mindshare 100500MAXplus Dispatch Processor is a complete dispatch workstation, providing interfaces to all common audio accessories such as headset jacks, foot-switches, speakers, desk microphones, a NENA telephone interface, and more. In addition it incorporates an Intel i3 COM Express processor. This provides the user interface and does all the VoIP communications, utilizing the audio system via an internal USB connection. NO POSITION PC IS REQUIRED	\$6,663	\$13,366	\$5,546.89	\$11,093.78
2	MS-CALLHIST	Instant Recall Line & Global History/Interface - Mindshare provides a virtual full-functioned Call Logging capability at each Position with the ability to selectively recall specific conversations as needed, either by Individual Channel/Line....or Globally!	N/C	N/C	N/C	N/C
2	MS-LOGGER	Radio / Phone Master Logger Recorder Interface - Easy logging recorder interface to IP recorders Direct IP streaming of position audio to VoIP capable recorders Legacy analog recorder outputs on MRI and AudioMAX Open interface specification... multiple IP recorder vendors Analog recorder outputs are also provided for legacy recorder systems	N/C	N/C	N/C	N/C
2	750M-FTSW-000	Console Position Footswitch, Single	\$336	\$672	\$278.88	\$557.76
4	750M-500-002	MS Position Speaker - Designed specifically for the requirements of communication dispatch consoles. Up to eight speaker modules are supported by each Mindshare audio and accessory interface, providing greater flexibility in creating monitor groups in separate speakers. Each Mindshare 100508MS speaker module is housed in a compact enclosure with volume control and green power / red activity indicator LEDs	\$372	\$1,488	\$308.76	\$1,235.04
2	750M-400-000	Operator Headset Jack, Single Line, for the MAXplus audio and accessory interface that allows the use of standard dual prong 4 and 6 conductor operator headsets. Up to two Mindshare operator headset jacks can be used with each MAXplus position audio Interface.	\$372	\$744	\$308.76	\$617.52
2	TSM-100-22-TG	Touch Screen Monitor 22" Wide Screen, Medical Grade Monitor	\$1,815	\$3,630	\$1,452.00	\$2,904.00
2	750M-DM-019	Console Desk Microphone, 19" Extended Boom Goose Neck Electret	\$681	\$1,362	\$665.23	\$1,130.46
2	750M-100SL-000	Mindshare Console Application Seat License	\$6,991	\$13,782	\$5,719.53	\$11,439.06
Subtotal				\$35,044		\$28,978



Montague Sheriff

System Proposal for:

Date: 2/7/2024

Proposal # 240129001R1

QTY Model # Description

Unit Price Extended Price

HGAC Unit Price HGAC Ext. Price

Infrastructure Items

QTY	Model #	Description	Unit Price	Extended Price	HGAC Unit Price	HGAC Ext. Price
1	MS-RACK-AD	Mindshare 36" Pre-Wired Rack Assembly including: 16 Slot Card Cage Assy - With Power Supply, 12 Channel Backplane Daughterboard, Punchblock / 25 Pair CAT 3 Telco Amphphenol Cable Assy and Cisco Ethernet Switch	\$6,799	\$6,799	\$5,643.17	\$5,643.17
5	750M-100-000	Mindshare's VoIP Single Line Radio Interface Card - provides station access to multiple common radio systems. This inter-connectivity and advanced control is made possible with Mindshare's versatile audio and serial interface features.	\$1,041	\$5,205	\$864.03	\$4,320.15
1	750M-195-000	Master Aux I/O- Rackmount-18 Relays - Used to support remotely controlled relays, and monitor digital inputs across an IP network. Possible applications include switching analog tone lines from one Mindshare Radio Interface card to another, opening doors, turning on landing lights, sensing if doors are open, voter system monitoring and control, and any other remote control and monitoring operation..	\$2,247	\$2,247	\$1,865.01	\$1,865.01

Subtotal \$14,251

Delivery / Freight (Estimated) \$493
 Factory System Staging & Optimization \$3,500
 MS-MISCSRV-1 - On Site System Installation \$4,750

HGAC Admin Fee \$953.07
 Total System Cost \$48,606.52

EXTENDED FACTORY WARRANTY HARDWARE & SOFTWARE OPTION	
HW / SW	Total Cost 1 Year Included
HW / SW	Total Cost 2 Years \$1,725
HW / SW	Total Cost 3 Years \$3,944
HW / SW	Total Cost 4 Years \$6,655

Training Options Technical Training (Lincoln NE - 3 days -Travel / Lodging costs are responsibility of Dealer) N/C
 Technical Training (On-Site - 3 days) \$7,500

Self Radio, Inc. Price Quote

PO Box 76
 Montague, TX 76251
 (940) 894-2181

Date February 6, 2024
 Quote Number 20240206Kenwood
 Revision A

Customer	Montague County Sheriff Office		
Ship Address	111 South Grand St.	Bill Address	PO Box 127
City, ST ZIP	Montague, TX 76251	City, ST ZIP	Montague, TX 76251
Contact	Missy Lanford		
Phone	940-894-2881	Cell	
email	mlanford@montaguesheriff.com		

Materials					All prices quoted in US Dollars		
Line Item	Qty	Brand	Model No.	Description	Price	Discount	Amount
1	5	Kenwood	NX-5700K	Radio, VHF (136-174MHz), 50 Watts	1193.20	20%	4772.80
2	5	Kenwood	KWD-5100CV	License Key for P25 Conventional	621.00	20%	2484.00
Total							7256.80



February 7, 2024

Self Radio, Inc.
PO Box 76
Montague, TX 76251-0076
Attention: Richard Self, Lee Self

Subject: Request for Proposal – # 240129001R1 HGAC

Gentlemen,

Mindshare is pleased to provide the attached Revised Mindshare Dispatch Communication System Proposal for your review and consideration as per your request.

This Proposal is based on our interpretation of information provided through conversations and priced in accordance with our HGAC Contract Pricing structure. Please review to ensure compliance with your requirements.

As requested, the proposed System consists of the MAXplus Series option. The primary components are outlined below with more detailed descriptions and itemized breakdowns included in the attached proposal documentation.

System consists of:

Two (2) MAXplus Series Dispatch Positions– Each Including:

- 1 - MAXplus Audio Processor
- 1 - 22" Touch-Screen Monitor
- 2 - Speakers (Select/Unselect)
- 1 - Footswitch
- 1 - Desk Microphone
- 1 – Headset Jack
- 1 - Mindshare Operator Position License

Each Position is provided with:

- NENA Interface
- Crosspatch
- Simul-Select Transmit
- Logging Recorder Interface
- Multi-functional RAPID recall recorder
- Mouse/Trackball control



Included with the System:

- 1 - Mindshare 36" Pre-Wired Rack Assembly including: 16 Slot Card Cage Assy
- 5 - Mindshare's VoIP Single Line Radio Interface Card
- 1 - Master Aux I/O- Rackmount- 18 Relay

Dealer Notes:

Unless quoted above, Dealer or Client is responsible for all Network hardware, installation, local taxes, and client training.

Custom engineering items (NRE) are non-cancellable and are payable in full in advance.

Client must agree to allow remote access (Internet or dial-in) to system by Mindshare to provide ability to diagnose, upgrade, and support the system. The first year is included in the quotation. Subsequent annual options are shown at bottom of quotation. This includes annual software upgrades to the system.

Canceled orders are subject to the following restocking charges after order acceptance:

Canceled two weeks (10 business days) or more prior to shipment: 15% of hardware and all expended services. Canceled less than two weeks prior to shipment: 20% of hardware and all expended services. Canceled following shipment: 25% of hardware and all expended services.

Total Mindshare liability of any kind, including but not limited to direct, indirect, or consequential damages and claims for negligence or non-performance, shall be limited to the amounts actually paid for products and services set forth in the order.

Quotations are valid for 60 days from date.

Mindshare accepts orders upon completion of:

Dealer and Credit Application

Written Purchase Order

Completion of Mindshare Data Sheets

Purchase Orders and/or Approvals to Proceed from the End User customer must be issued to
CSS-Mindshare - 665 Research Drive, Lincoln, NE 68521

We will proceed with the HGAC Process and address the proper procedures from there.



Unless otherwise stated, delivery of the System will occur within a 45-60-day schedule after receipt and acknowledged acceptance of order by Mindshare.

Should there be any questions or need for clarification on our part, we request that you forward them to us for a detailed analysis and response.

Upon verification of dealer provided data information and confirmation of selected options / items listed in our Proposal, a final Bill of Material will be generated and re-submitted for mutual acceptance if required.

We greatly appreciate this opportunity to be of service and invite your careful evaluation of our offer. We are confident you will recognize the superiority in technical and professional content that we offer for this Mission-Critical Communications System, providing the level of excellence our mutual customer requires and deserves.

Sincerely,

A handwritten signature in black ink that reads "Jack Hines". The signature is written in a cursive style with a large initial "J".

Jack Hines - General Manager

563-387-7475

jackh@css-mindshare.com

cc: T. Hayes – Cambridge Group

From: Jalyn Brandle
Sent: Thursday, May 2, 2024 9:54 AM
To: jlawson montaguesheriff.com
Subject: Fw: Console Manual

Thank you,

Montague County Sheriff's Office
Communications Corporal Jalyn Brandle
(940) 894-2871

From: Richard Self <rselfradio@aol.com>
Sent: Thursday, April 18, 2024 4:42 PM
To: Jalyn Brandle <jbrandle@montaguesheriff.com>
Subject: Re: Console Manual

We changed in the console program to pick out USB speakers.
Doesn't work for radio.

Tested old style speakers on our laptop. Work.
Connected old style speakers to console computer, works with computer test.
Change console program back to old style speakers.
Doesn't work.

Called Motorola.
That console has been discontinued and there is no longer any tech support for it.

On Thursday, April 18, 2024 at 01:55:16 PM CDT, Jalyn Brandle <jbrandle@montaguesheriff.com> wrote:

Our radio still isn't working with sound on the second side. Do you have another way of repairing it?

Thank you,

Montague County Sheriff's Office
Communications Corporal Jalyn Brandle
(940) 894-2871

From: Richard Self <rselfradio@aol.com>
Sent: Friday, March 15, 2024 4:10 PM
To: Jalyn Brandle <jbrandle@montaguesheriff.com>
Subject: Console Manual

Chapter 4 page 80 - 84
4-80

From: Jalyn Brandle
Sent: Wednesday, May 1, 2024 7:02 PM
To: jlawson montaguesheriff.com
Subject: Self Radio

I was going to notify you, Self with Self Radio came up the other day to look at our radio because station 2 sound stopped working. He said our sound on side 2 can't be fixed due to the system we have being discontinued.

Thank you,

Montague County Sheriff's Office
Communications Corporal Jalyn Brandle
(940) 894-2871

Alright for now. just hard to hear.



TDEM

THE TEXAS A&M UNIVERSITY SYSTEM

April 18, 2024

Charley Lanier
FEMA Project Manager
Montague County
11339 State Highway 59 North
Montague, TX 76251

Subject: FEMA-DR-4223-TX; Montague County (337-99337-00)
Catalog of Federal Domestic Assistance (CFDA) number 97.036
Federal Award Identification Number (FAIN) 4223DRTP0000001;
Subrecipient Account Closeout

Dear Charley Lanier,

This letter is to inform Montague County that per the State's records, all eligible payments under Montague County's DR-4223 account have been processed, all administrative actions and all work required by the subawards have been completed, and all subawards have been closed by FEMA.

The Texas Division of Emergency Management and FEMA have closed Montague County's DR-4223 account. Please be advised that all projects are subject to federal audit by the Department of Homeland Security Office of Inspector General. The subrecipient must maintain copies of all pertinent records related to the grant for a minimum of three years from receipt of this letter as stated in 2 CFR §200.334.

Should you have any questions, please contact Ileana Bolanos at (512) 499-1413 or at ileana.bolanos@cohnreznick.com.

Sincerely,

A handwritten signature in black ink that reads "J Stalcup".

Jeffrey Stalcup
Recovery Coordinator
Texas Division of Emergency Management

2883 Highway 71 E
PO Box 285
Del Valle, TX 78617-9998

FEMA Public Assistance Project 4223
 Eligibility Approved 7-28-2015; Final Approval 11-4-2015
 116 Small Projects, 22 Large Projects - 138 Total
 310 roads (46.55%) in the county affected
 Last project completed July 2022; Closed as of 04-18-2024

Initial FEMA Approved Amounts

FEMA Authorized, with Amendments	\$ 17,573,354.25
Federal 75%	\$ 13,180,015.91
County 25%	\$ 4,393,338.34

Small Projects Authorized (116)	\$ 9,929,031.84
Small Projects Spent	\$ 9,979,394.07
Small Projects Reimbursed	\$ 7,446,774.06

Large Projects Initially Authorized (22)	\$ 7,233,904.79
Large Projects Overruns Amended	\$ 410,417.62
Large Projects Total Authorized	\$ 7,644,322.41
Large Projects Spent	\$ 7,649,088.77
Large Projects Initially Reimbursed	\$ 5,425,428.64
Large Projects Overruns Reimbursed	\$ 307,813.21
Large Projects Total Reimbursed	\$ 5,733,241.85

Actual Spent

Gravel	\$ 6,968,450.97
Force Labor	\$ 2,744,955.14
Force Equipment	\$ 6,226,184.00
Contracted	\$ 1,676,196.21
Administration	\$ 12,696.52
Total Spent	\$ 17,628,482.84

<u>Reimbursed by FEMA</u>	\$ 13,180,015.91
----------------------------------	------------------

<u>Gross Cost to County</u>	\$ 4,448,466.93
Required County 25% Match	\$ 4,393,338.34
Small Projects Net Overage	\$ 50,362.23
Disallowed Expenses	\$ 4,766.36
<u>Net Cost to County</u>	\$ 55,128.59

APRIL 2024

Unclaimed Property Capital Credits for Counties

GLENN HEGAR

TEXAS COMPTROLLER OF PUBLIC ACCOUNTS

FOR MORE INFORMATION, VISIT OUR WEBSITE AT
comptroller.texas.gov

FOR INFORMATION ON UNCLAIMED PROPERTY, SEE
comptroller.texas.gov/up

How are funds divided among counties?

- Electric cooperatives report unclaimed capital credits and the county of service from which they originated.
- Electric Cooperatives must use the numeric Federal Information Processing Standard (FIPS) county code of the service address. This code must be entered in the country code field of the remittance report.
- A county may or may not receive funds in a given year.

Who qualifies?

- Any county can request a portion of these funds.
- The county must follow instructions in Local Government Code, Section 381.004 to request funds.
- The commissioners court is the primary governing body and ultimate decision-making authority on the legitimacy of fund requests.

General uses of capital credits

The county commissioners court may use capital credits to develop and administer a program:*

- for state or local economic development.
- for small or disadvantaged business development.
- to stimulate, encourage and develop business location and commercial activity in the county.
- to promote or advertise the county and its vicinity or conduct a solicitation program to attract conventions, visitors and businesses.
- to improve the extent to which women and minority businesses are awarded county contracts.
- to support comprehensive literacy programs that benefit county residents.
- for the encouragement, promotion, improvement and application of the arts
- to support a children's advocacy center

* Review Local Government Code, Section 381.004 before starting a program.

For questions on Capital Credits, contact our Holder Education and Reporting section at up.holder@cpa.texas.gov or 800-321-2274, option 2.

In conjunction with Local Government Code, Section 381.004, Texas Property Code, Section 74.602 authorizes the Texas Comptroller of Public Accounts (Comptroller's office) to allocate a portion of the unclaimed capital credits received from electric cooperatives back to the counties in the cooperatives' service area.

What are unclaimed capital credits?

Electric cooperatives that have lost contact with a previous customer sometimes report capital credits to the Comptroller's office as unclaimed property. Texas law allows counties to claim a portion of unclaimed capital credits originating from their county and use them for specific programs.

UNCLAIMED PROPERTY CAPITAL CREDITS FOR COUNTIES

How to request capital credits

The county judge and/or commissioners court must complete and submit the **form below**.

- The form must be signed by a representative of the commissioners court or the county judge.
- The form must include the complete name, address and federal tax identification number of the commissioners court. Funds will be paid directly to the court.

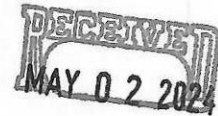
COUNTY REQUEST FOR CAPITAL CREDITS	
County Name <u>MONTAGUE COUNTY</u>	County FEIN <u>17560010781</u>
Authorized by <input type="checkbox"/> Judge <input checked="" type="checkbox"/> Commissioners Court	
Name of County Judge <u>KEVIN L. BENTON</u>	Approved Date <u>05-13-2024</u>
SEND THE REQUESTED FUNDS TO:	
Address <u>P.O. BOX 475</u>	City <u>MONTAGUE</u> State <u>TX</u> Zip <u>76251</u>
I acknowledge that the purpose of the funds complies with provisions of Texas Local Government Code, Section 381.004.	
Name (printed) <u>KEVIN L. BENTON</u>	Title <u>COUNTY JUDGE</u>
Signature _____	Date _____
Email Address <u>arichardson@co.montague.tx.us</u>	Phone <u>940-894-2401</u>
Submit signed and completed form by either mail, email or fax by July 31, 2024.	
Mail Texas Comptroller of Public Accounts Unclaimed Property Division Holder Education and Reporting section P.O. Box 12019 Austin, Texas 78711-2019	Email <u>up.holder@cpa.texas.gov</u> Fax 512-463-3569
FOR COMPTROLLER'S USE ONLY: We are authorized to release ____% of the total amount available to your county. We will send a \$_____ payment to the address provided above. By requesting funds, you have certified that they will be used in compliance with the provisions of Texas Local Government Code, Section 381.004.	
Comptroller's Representative _____	Date _____

This publication is intended as a general guide and not as a comprehensive resource on the subjects covered.

It is not a substitute for legal advice.

In compliance with the Americans with Disabilities Act, this document may be requested in alternative formats by calling **800-252-1382**, or by sending a fax to **512-475-0900**.

April 29, 2024



The Honorable Kevin Benton
Montague County Judge
P.O. Box 475
Montague, Texas 76251

Re: Nortex Housing Finance Corporation
 Tax-Exempt Obligations
 (Sun Valley Apartments)

Dear Judge Benton:

The Nortex Housing Finance Corporation (the "*Corporation*") will issue tax-exempt obligations in an aggregate principal amount not to exceed \$13,200,420 (the "*Bonds*") in order to provide funds to finance the cost of a residential development that will provide decent, safe and sanitary housing at affordable prices for residents within the Corporation's jurisdiction. The development will be located in the City of Wichita Falls, Wichita County, Texas. The Bonds will be special limited obligations of the Corporation payable solely from the collateral pledged to secure the Bonds. The sponsoring local political subdivisions of the Corporation are not in any way liable for the payment of the Bonds.

In connection with the issuance by the Corporation of the above referenced Bonds, enclosed herewith are two (2) copies of the General and No Litigation Certificate (the "*General Certificate*") for execution by you as the County Judge of the County of Montague. I have included below for your convenience a description of the legal requirements behind the General Certificate.

The General Certificate is required by 1 TX A.D.C. §53.229 (or 15 Tex. Reg. 6289) and must be submitted to the Attorney General of the State of Texas, who will approve all documentation relating to the Bonds prior to the issuance of the Bonds. Paragraph 8 of the General Certificate specifically gives the Attorney General the right to date the General Certificate on the date of closing. **Please do not date this General Certificate.**

Page 2
April 29, 2024

Please review the General Certificate and call me at (312) 845-3277 with any questions or comments you may have. Otherwise, if all is in order, please execute both signature pages for the General Certificate and return them to me using the enclosed prepaid Federal Express envelope for delivery no later than **June 14, 2024**.

Sincerely,

CHAPMAN AND CUTLER LLP

By Ryan J. Bowen
Ryan J. Bowen
Texas Bar Card No. 24089859

Enclosures

cc: David A. Clark, Executive Director

GENERAL AND NO LITIGATION CERTIFICATE OF MONTAGUE COUNTY

We hereby certify that we are duly elected or appointed and acting officers of Montague County, Texas (the "*County*"). We do hereby further certify that:

1. This Certificate is for the benefit of the Attorney General of the State of Texas (the "*Attorney General*") and all persons interested in the validity of the proceedings of Nortex Housing Finance Corporation (the "*Corporation*") related to the issuance by the Corporation of its tax-exempt obligations for the Sun Valley Apartments project, to be issued in one or more series in an aggregate principal amount not to exceed \$13,200,420 (the "*Bonds*").

2. The Commissioners Court (the "*Governing Body*") of the County authorized the membership of the County in the Corporation, a joint housing finance corporation created pursuant to the Texas Housing Finance Corporations Act, Chapter 394, Local Government Code, as amended (the "*Act*"), and approved the Corporation's articles of incorporation (and all amendments thereto).

3. The County has not currently appointed anyone to act as a member of the board of directors of the Corporation.

4. The Governing Body has taken no action pursuant to the Act, including Section 394.016(c) thereof, or otherwise, to limit the effectiveness of the resolution authorizing the issuance of the Bonds or in any way affecting the proceedings relating to the issuance of the Bonds.

5. The Governing Body has not created any other Corporation that currently has the power to make home mortgages or loans to lending institutions, the proceeds of which are to be used to make home mortgage or loans on residential developments.

6. No litigation is pending, or to our knowledge threatened, in any court in any way affecting the existence of the Corporation or seeking to restrain or to enjoin the issuance, sale or delivery of the Bonds, or in any way contesting or affecting the validity or enforceability of the Bonds or the financing documents to which the Corporation is a party, or contesting in any way the completeness or accuracy of any disclosure document prepared in connection with the issuance of the Bonds, or contesting the powers of the Corporation or its authority with respect to the financing documents to which it is party.

7. Each of the undersigned officers of the County hereby certifies that he or she is the duly elected or appointed incumbent of the office appearing below his or her signature and that the signature of the other officer appearing below is the true and correct signature of such person.

8. The Attorney General of the State of Texas is hereby authorized and directed to date this Certificate concurrently with the date of his approval of the Bonds and this Certificate shall be deemed for all purposes to be accurate and correct on and as of that date and on and as of the date of the initial issuance and delivery of the Bonds to the initial purchasers thereof.

9. By his or her signature hereto, the undersigned representative of the Governing Body assumes no liability whatsoever with respect to the Bonds. The Bonds are not an indebtedness of the Governing Body or the County and the Governing Body and the County shall have no liability therefor.

[Remainder of Page Intentionally Left Blank]

EXECUTED AND DELIVERED AS OF THE DATE SET FORTH BELOW.

MONTAGUE COUNTY, TEXAS

By _____
Judge Kevin Benton

ATTEST

By _____
[Deputy] County Clerk

DATED: _____
[TO BE DATED BY ATTORNEY
GENERAL OF THE STATE OF TEXAS]

Appendix A

Name of Subdivision: McGANN, Weatherly & Durham
Contact Person: SUSAN MCGANN Phone Number: 704-530-2633

MONTAGUE COUNTY
SUBDIVISION PLATTING CHECKLIST
FIRST READING
(PRELIMINARY)

- | YES | NO | N/A | |
|-------------------------------------|--------------------------|-------------------------------------|--|
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | Name of proposed subdivision. |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | Name and address of Owner/subdivider/developer. |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | Volume, page and reference names of adjoining owners. |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | Volume, page and reference land use of adjoining owners. |
| <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | Master Development Plan (if subdivision is a portion of a larger tract). |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | Location map. |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | Scale (not smaller than 1" = 200'). <i>If parent tract is larger than 320 acres, scale may be 1" = 1,000' w/proposed plat 1" = 200'.</i> |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | North directional arrow. |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | Contour information – rivers, creeks, bluffs, etc. (no greater than 20' intervals) |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | Major topographic features. |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | Total acreage in subdivision. |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | Total number of lots in subdivision. |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | Typical lot dimensions. |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | Land use of lots, parks, greenbelts. |
| <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | Total length of roads. |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | Width of right-of-way. |

PRELIMINARY CHECKLIST
(continued)

- | | | | |
|-------------------------------------|--------------------------|-------------------------------------|--|
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | Special flood hazard areas/note. |
| <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | Road maintenance requested (County/Home Owner's Assn.). |
| <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | Approval by TxDOT or County for driveway entrance(s). |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | Location of wells - water, gas, & oil, where applicable & unused capped statement. |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | Plat Application Fees paid. (receipt from County Treasurer required) |
| <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | On-Site Sewage Facility Preliminary plan, Inspector's Approval |
| <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | Acknowledgement of Rural Addressing / Signage. |
| <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | Water Availability Study. |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | Tax Certificates and rollback receipts if required. |
-

Signature of Reviewer

Date of Review

ADDITIONAL REQUIREMENTS:
ALL ITEMS ON THIS CHECKLIST MUST BE IN THE HANDS OF THE COUNTY JUDGE'S
OFFICE NO LESS THAN THIRTY (30) DAYS PRIOR TO THE COMMISSIONERS COURT
HEARING DATE.

Appendix A

Name of Subdivision: SMYRNA ROAD

Contact Person: WADE BROWN / SWAIN

Phone Number: 940-872-8075

MONTAGUE COUNTY
SUBDIVISION PLATTING CHECKLIST
FIRST READING
(PRELIMINARY)

- | YES | NO | N/A | |
|-------------------------------------|--------------------------|-------------------------------------|---|
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | Name of proposed subdivision. |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | Name and address of Owner/subdivider/developer. |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | Volume, page and reference names of adjoining owners. |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | Volume, page and reference land use of adjoining owners. |
| <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | Master Development Plan (if subdivision is a portion of a larger tract). |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | Location map. |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | Scale (not smaller than 1" =200'). <i>If parent tract is larger than 320 acres, scale may be 1" =1,000' w/proposed plat 1" =200'.</i> |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | North directional arrow. |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | Contour information – rivers, creeks, bluffs, etc. (no greater than 20' intervals) |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | Major topographic features. |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | Total acreage in subdivision. |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | Total number of lots in subdivision. |
| <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | Typical lot dimensions. |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | Land use of lots, parks, greenbelts. |
| <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | Total length of roads. |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | Width of right-of-way. |

PRELIMINARY CHECKLIST

(continued)

- Special flood hazard areas/note.
 - Road maintenance requested (County/Home Owner's Assn.).
 - Approval by TxDOT or County for driveway entrance(s).
 - Location of wells - water, gas, & oil, where applicable & unused capped statement.
 - Plat Application Fees paid. (receipt from County Treasurer required)
 - On-Site Sewage Facility Preliminary plan, Inspector's Approval
 - Acknowledgement of Rural Addressing / Signage.
 - Water Availability Study.
 - Tax Certificates and rollback receipts if required.
-

Signature of Reviewer

Date of Review

**ADDITIONAL REQUIREMENTS:
ALL ITEMS ON THIS CHECKLIST MUST BE IN THE HANDS OF THE COUNTY
JUDGE'S OFFICE NO LESS THAN THIRTY (30) DAYS PRIOR TO THE
COMMISSIONERS COURT HEARING DATE.**

Appendix B

MONTAGUE COUNTY SUBDIVISION PLATTING CHECKLIST
SECOND READING (FINAL)

Subdivision name: STONE BRIDLE

YES	NO	N/A	
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	All information required for preliminary plat.
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Lot and block numbers.
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Street names, <i>must be pre-approved by 9-1-1 Coordinator.</i>
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Acreage of each lot or parcel.
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Name and address of Surveyor/Engineer.
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Location and size of drainage structures.
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Location, size, and proposed use of easements.
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Incorporated City's Boundary/ETJ Note.
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Servicing Utilities Note.
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Certification from licensed professional engineer regarding utilities.
<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	Restrictive covenants.
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Tax certificates and rollback receipts if required.
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Home Owner's Association Incorporation articles and by-laws (if applicable).
<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	Construction plans of roads and drainage improvements.
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Receipt showing payment of preliminary plat fees.
<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	Sign-off for TxDOT road access, if applicable.

Appendices:

FINAL CHECKLIST
(continued)

Appendices:

YES	NO	N/A	
<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	Appendix C (1) – Certificate of Dedication by Owner/subdivider/developer (when owner/subdivider/developer is an individual)
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Appendix C (2) – Certificate of Dedication by Owner/subdivider/developer (when owner/subdivider/developer is a corporation)
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Appendix D – Certificate of Recording (if applicable)
<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	Appendix E – Water Supply Certificate
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Appendix F – Certificate of Surveyor
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Appendix G – Certificate of Engineer
<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	Appendix H – Certificate of OSSF Inspector’s Approval
<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	Appendix I-Certificate of Road Maintenance (when roads are to be retained as private roads)
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Appendix J – Certificate of County Road Maintenance Disclaimer
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Appendix K-Certificate of County Approval of Plat
<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	Appendix L-Permit to Construct Driveway in County RoW
<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	Appendix M-Lienholder’s Acknowledgement
<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	Appendix N-Revision to Plat (if applicable)
<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	Appendix O-Notice of Utility Installation in County RoW
<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	Appendix P-Plans and Specifications for Cattleguard (if applicable)
<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	Appendix Q-Cross Section Road Standards
<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	Appendix R-Summary of Road Standards

**FINAL CHECKLIST
(continued)**

Appendices:

YES NO N/A

 Appendix S-Development Fees

Signature of Reviewer

Date of Review

**ADDITIONAL REQUIREMENTS:
ALL ITEMS ON THIS CHECKLIST MUST BE IN THE HANDS OF THE COUNTY
JUDGE'S OFFICE NO LESS THAN THIRTY (30) DAYS PRIOR TO THE
COMMISSIONERS COURT HEARING DATE.**