

The Commissioners' court in and for Sabine County, Texas, met in Regular Session, April 15th, 1936, with the following members present, to-wit: Edw. Harper, County Judge, T. R. Smith, Commr. Prec. No. 1, E. C. Smith, Commr. Prec. No. 2, P.H. McGown, Commr. Prec. No. 3, and R. W. Chapman, Commr. Prec. No. 4, Geo. W. Russell, Sheriff, and Zeda Davidson, Clerk and Transacted business, as follows:

Accounts were allowed and approved, as is shown by minutes of Accounts Allowed:

On motion duly had and carried, it is ordered by the court that the Monthly report of R.H. Dent, Justice of the Peace, be and the same is hereby approved.

On motion made by T. R. Smith, seconded by R. W. Chapman, it is ordered by the court that quarterly report of J. L. Payne, County Treasurer, be and it is hereby in all things approved.

On motion made by E. C. Smith, seconded by T. R. Smith, with a vote unanimous, it is ordered by the court that scrip in the sum of \$100.00 issued to A. G. Pratt, and now held by First National Bank, be cancelled and scrip in lieu thereof, be issued out of the P.I. Fund, for the same purposes and in the same amount.

On this day came on to be heard and canvassed the returns of school elections held in the various precincts, and districts, and the following named persons are hereby declared elected Trustees of the Respective Districts, as follows:

Geneva, Ind. No. 1. T.E. Arnold, & J.A. Honeycutt.

Yellowpine, No. 1, Leon McDaniel & J. O. McDonald.

Gomer, No. 12. W.E. Felts.

Bayou, No. 14. T.J. Jacks.

Fairmeunt, No. 15: Anna B. Clerk, Clifton Mitchell & Henry S. Frisby.

Gravelhill, No. 16. G.A. Boyd.

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Allen Old Mill, No. 19. C.N. McGown.

Ross Springs, No. 20. B.J. Vickers.

Armstreet, No. 23. Ossar Reeves.

Sexton, No. 24. C.E. Arnold.

Fairdale, No. 25. M.W. McDaniel.

Campground, No. 29. H.H. Boyett.

Plainview, No. 31. J.E. Simmons, 8 votes. and D.G. Eddings, 8 votes. (Tie).

Milan, No. 32. W.F. Russell.

Blue Springs, No. 32. M.R. McDaniel.

Six Mile, No. 37. N. E. McDaniel.

Patroon, No. 38. T.G. Stewart.

Elected for County Wide Trustee: D. A. Sibley.

Elected for Precinct No. 2: R. S. McDaniel.

Elected for Precinct No. 3. D.G. Eddings.

On mutual agreement, the parties of contract by and between Dunne-Israel Co., and Sabine County, agreed to cancel said contract, and the following release was signed by H.A. Watts, Representative.

" On behalf of the Dunne-Israel Company, I hereby agree to cancel contract with Commissioners' Court of Sabine County, Texas, made on the 23rd day of March, 1936, by and between said Company and Sabine County."

It was moved by Commissioner T. R. Smith and Seconded by Commissioner E. C. Smith, with all four commissioners voting aye, that the following agreement be entered into.

The State of Texas )  
County of Sabine ) This agreement made and entered into on this 14 day of April, 1936,  
by and between Sabine County, and J. R. Phillips Investment Company,  
of Houston, Texas. WITNESSETH;

It appearing that Sabine County has outstanding approximately \$708,000.00 of various kinds of funding and bonded indebtedness, ranging from 5% to 6% interest and maturing serially, issued during the years of higher valuations and that the annual payments of said indebtedness were based on the income available from the higher valuations; and that since valuations have been reduced so materially and tax collections have declined considerably, the income available from a tax levy within the ability of the taxpayers to pay, without too great a burden on them, is not sufficient to pay such indebtedness as it now matures and at the present interest rates.

And it further appearing that under the announced program of purchase by the Federal Government of approximately 70% of the total area of Sabine County, which will result in the lands so purchased being permanently removed from the taxable rolls of said county, the prospect for recovering any loss of former values is extremely remote; and the fact that considerable land has already been purchased by the Federal Government and that additional purchases are being made creates a crisis in the financial affairs of said county;

And it further appearing that under the present policy of the State Board of County and District Road Indebtedness the State will not pay the portion which is eligible for State aid until and unless the County is able to meet its portion, making it necessary for the County to either levy and collect sufficient tax for its portion under the present schedule of maturities, or, with the approval of the State Board of County and District Road Indebtedness, to revamp the requirements so that the present taxes will pay the County's portion. Because of the heavy annual requirements under the present schedules and on the present rates of interest, it appears that a rate of tax sufficient to provide the annual amount now needed by the County would be prohibitive and confiscatory.

Therefore, it is the opinion of the County officials of Sabine County, that it would be to the best interests of the citizens and taxpayers of Sabine County and of the holders of the outstanding indebtedness of said County to revamp the entire indebtedness, or so much thereof as may be necessary, and make same mature in such a manner and bear such rates of interest as may be agreed upon by the County, the Board of County and District Road Indebtedness, and the bondholders, with the purpose of bringing the annual requirements within the ability of the County to pay.

It is recognized that in connection with such a program much data must be assembled and compiled; complete plans must be worked out; bondholders must be contacted and have facts of the situation and its solution placed before them in understandable form; that the cooperation of the bondholders and the State Board of County and District Road Indebtedness must be secured that such legal work must be done requiring the services of an experienced lawyer in such matters; that the many details of such an adjustment must be properly handled; and that other factors of such a complicated situation require the services of one experienced in such work for the successful carrying out of such a program.

Therefore, Sabine County does hereby employ J. R. Phillips Investment Company for the purpose of representing Sabine County, in compiling the necessary data, presenting such information to the bondholders, negotiating with the bondholders on the proper settlement that should be made, working out, with the cooperations of the State Board of County and District Road Indebtedness and the bondholders the plan of refunding, the maturities of the Refunding Bonds, the interest rates they shall bear, and giving full assistance in the actual carrying out of the program.

It is understood that the plan of refunding, the maturities and interest rates of the Refunding bonds, will be in accordance with agreements reached between the County, the bondholders, and the State Board of County and District Road Indebtedness, and that J. R. Phillips Investment Company will use its best efforts to bring about such agreements.

J. R. Phillips Investment Company will pay all of its own expenses in connection with such a program and will, at its own expense, furnish the services of its Attorney, pay for the printing of the Refunding Bonds, pay the expense of a market attorney's approval, secure their approval by the Attorney General, and pay the costs of making the actual exchanges.

In consideration of the services to be rendered hereunder, Sabine County agrees to pay to J. R. Phillips Investment Company a sum equal to 2% of the amount of bonds exchanged under the program adopted by the bondholders, the County and the State Board of County and District Road Indebtedness. Such compensation to become due and payable when, as and if the actual exchanges are made. In the event no exchanges are made, then Sabine County shall not be indebted in any amount to said J. R. Phillips Investment Company for any expenses incurred or services rendered in connection therewith.

It is recognized that the carrying out of this agreement will require the cooperation in good faith of all parties concerned, and Sabine County and J. R. Phillips Investment Company hereby pledge their cooperation to this end.

Witness our signatures this 14 day of April, 1936.

County Judge  
E.R. Smith, Commissioner Prec. # 1.  
E.C. Smith, Commissioner Prec. # 2.  
P.H. McVown, Commissioner Prec. # 3.  
R.W. Chapman, Commissioner Prec. # 4.  
Sabine County, Texas.

J.R. Phillips Investment Co.,  
By R.G. Mills.

On motion of T. R. Smith, and seconded by R. W. Chapman, the County Treasurer is hereby directed to set aside out of the Special Road and Bridge Fund the amount of \$3600. or so much

as much as may be necessary, to pay the salaries of the County Commissioners and 75% of the salary of the County Judge for the year of 1936.

On motion duly had and carried, it is ordered by the court that Scrip No. 599, issued to G. W. Hammock, be cancelled, and scrip

On motion made by P. H. McDown, seconded by E. C. Smith, with a vote unanimous for said motion, it is ordered by the court, that the County Treasurer place in the Plat Book Warrant Fund Class "A" fifty per cent of all delinquent Ad Valorem taxes collected, except school taxes by the Tax Collector for all years in which such taxes becomes delinquent prior to February 1, 1926 for the purpose of paying off the judgment rendered by the United States District Court in and for the Eastern District of Texas, in Beaumont, Division, on the 12th day of March, 1934, in cause No. 1051, at law, in favor of the Brown Crummer Investment Company, against Sabine County.

There being no further business, court is adjourned.

Attest: Judd Davidson  
County Clerk.

E. C. Smith  
County Judge.

J. R. Smith  
Commissioner Precinct No. 1.

E. C. Smith  
Commissioner Precinct No. 2.

P. H. McDown  
Commissioner, Precinct No. 3.

B. Chapman  
Commissioner Precinct No. 4.