

The Commissioner's Court met in regular session on April 28, 1941, with the following members present:

Chas. Forse, County Judge Presiding, and  
D.B. Speights, Commissioner, Precinct No.1,  
J.T.Ener, Commissioner, Precinct No.2,  
G.B. Carter, Commissioner, Precinct No.3,  
T.L. Arnold, Commissioner, Precinct No.4,  
Geo. W.Russell, Sheriff.  
Mrs. Myrtle Arnold, County Clerk,

Accounts allowed as shown by "Accounts Allowed".

The following proposal was submitted to the Court and accepted by the Court, being voted upon as follows: D.B.Speights, Aye; J.T.Ener, Aye; T.L. Arnold, Aye; G.B.Carter, Silent;

Hemphill, Texas,  
April 28, 1941.

Mr. M.L. Daniels,  
The Dunne-Israel Company,  
Gulf States Building,  
Dallas, Texas.

Dear Sir:

The Commissioners' Court of Sabine County, Texas, acting pursuant to appropriate orders,

588

submit you herewith in duplicate originals a proposal for refunding all outstanding bonds and adjusting all matured interest pertaining thereto of Road Districts Numbers 1, 4, 5, 6, 7 and 12 of this County.

By your acceptance of this proposal it is understood that although you do not guarantee the performance or consummation thereof, you will use your best efforts in obtaining the consent of the holders of the outstanding bonds to the end that the settlement, compromise and refunding herein presented may be as speedily accomplished as possible.

The following is a schedule of amounts of outstanding bonds, matured coupons and interest pertaining to matured bonds not evidenced by coupons calculated to April 1, 1941, of each of the aforementioned Road Districts:

<u>Road District</u>	<u>Matured Bonds</u>	<u>Unmatured Bonds</u>	<u>Total Principal Outstanding</u>	<u>Matured Coupons</u>	<u>Interest on Matured Bonds</u>	<u>Total Matured Interest</u>
No. 1	\$9,000.00	\$16,000.00	\$25,000.00			\$5,978.20
No. 4	10,000.00	24,000.00	\$34,000.00			12,586.45
No. 5	8,000.00	3,000.00	11,000.00			2,634.80
No. 6	5,000.00	5,000.00	10,000.00			2,710.28
No. 7	3,500.00	1,000.00	4,500.00			1,117.87
No. 12	3,000.00	6,500.00	9,500.00			2,418.01

It is understood that the above schedule is subject to correction should same be shown incorrect.

All the outstanding bonds of the Road Districts above indicated now bear interest at the rate of 5-1/2% per annum and mature serially. In consideration of the interest concessions and extensions of maturities herein proposed, the County agrees to the incorporation of the following requirements and provisions in the proposed Refunding Bonds and the proceedings relating thereto.

The Commissioners' Court proposes that all outstanding principal bond indebtedness of the respective Road Districts indicated shall be refunded under proceedings to be prepared and approved by attorneys acceptable to the County, by the issuance of Refunding Bonds in like par amount, bearing interest at the rate of 4% per annum, payable annually on April 1st of each year, said bonds to be dated April 1, 1941, and to mature April 1, 1956; said interest and principal to be made payable at the office of the Treasurer of the State of Texas, Austin, Texas. Said Proceedings relating to the Refunding Bonds proposed for the respective Road Districts herein indicated shall contain provisions reserving to the County an option to redeem said bonds on any interest payment date at par and accrued interest, and shall further provide that if at any time during any calendar year there shall be any surplus funds available in the interest and sinking fund created for the payment of principal and interest of said respective issues, after allowing for the payment of all matured interest coupons thereof and after setting aside sufficient funds to pay all coupons maturing during that year, the County, after proper advertisement, may use such surplus for the purchase in the open market of the Refunding Bonds at the lowest prices obtainable, and any of such bonds so purchased shall be cancelled. If the County shall reject all offers, it will proceed to call and cancel a sufficient amount of bonds to absorb said surplus funds at par and accrued interest on the date of the next interest coupon maturity, in accordance with the option of redemption above set out. In this connection, it is the purpose and intent of the Commissioners' Court to annually exhaust all surplus funds for the Refunding Bonds of the respective Road Districts in the purchase, retirement and cancellation of bonds at the cheapest available prices, as above set out.

The County proposes that it will provide appropriate written evidence of interest pertaining to matured bonds not evidenced by coupons and that same, together with all matured

interest coupons shall be escrowed with an agent mutually agreeable with you, and shall be liquidated upon payment of Fifty Cents on the Dollar face amount of said interest coupons and other evidence of interest. That for this purpose the County will from time to time employ all funds over and above the annual interest requirements of said bonds, it being understood that the payment of said matured interest on the obligations to be refunded and the use of funds for that purpose shall take precedence over the use of said excess funds for the purchase and retirement of principal of Refunding Bonds as hereinabove provided, and that no principal of said Refunding Bonds shall be purchased or redeemed until the aforesaid interest obligations have been fully met and discharged in accordance herewith.

It is further understood that the refunding fee hereinafter provided shall first be paid from the surplus funds above designated before any payments are made from that source to discharge said matured interest on the Bonds of the respective interests to be refunded.

The County agrees to maintain the assessed valuation of all taxable property in said respective Road Districts at all times at its true and full value, and further agrees to diligently and aggressively pursue collections of current and delinquent taxes, bringing and prosecuting suits therefor wherever and whenever necessary.

Should the Commissioners' Court ascertain that there are at any time funds available therefor from sources other than the tax levies made specifically for the Refunding Bonds, it will utilize said funds to supplement the proceeds of said tax levies, to the end that as large amounts as possible may be provided for the purchase and retirement of principal indebtedness as rapidly as possible, thus reducing the annual bond requirements in said respective districts.

The County further agrees that in each year so long as any interest or principal of the refunding issues of the respective Road Districts are outstanding and unpaid, the Commissioners' Court will levy a tax on each \$100.00 of assessed taxable values within said respective districts sufficient to meet the interest and principal requirements of the Refunding Bonds outstanding there against; provided, however, that the minimum tax rates to be levied for the interest and principal requirements of the Refunding Bonds proposed to be issued in the Road Districts indicated shall be as follows:

Road District No. 1	\$2.25
Road District No. 4	1.50
Road District No. 5	2.25
Road District No. 6	1.50
Road District No. 7	2.25
Road District No. 12	.75

The County further agrees that in the refunding proposed with respect to Road Districts Numbers 1 and 4, appropriate proceedings will be brought in the cases now pending before the United States District Court for the Eastern District of Texas, Beaumont Division, styled "W.J. Meredith, et al. vs. Road District No. 1 of Sabine County, Texas, et al., No. 558 in Equity," and "W.J. Meredith, et al. vs. Road District No. 4, of Sabine County, Texas, et al., No. 559 in Equity", designed to obtain said Court's approval and directions in the consummation of the plan of settlement herein proposed respecting said Districts, and to adjudicate the validity of the Refunding Bonds to be authorized thereunder. The County and its attorneys will cooperate in achieving these results.

The County further agrees that for your services in obtaining the consent of the holders of the outstanding bonds to the refunding herein contemplated, and in effecting a consummation thereof, it will pay you a fee of 3% or \$30.00 per \$1,000.00 of bonds, said fee to be payable in full as hereinabove provided when as much as 80% of total bonds have been exchanged.

Out of such fee it is understood that you will bear all costs of the preparation of the proceedings, of printing the Refunding Bonds, and all expenses of every kind and nature incident to the exchange of outstanding bonds for Refunding Bonds, including all attorney fees.

If the above proposal is acceptable to you, you may evidence same by executing the acceptance clause herein below provided and returning one copy to the Honorable Charlie Forse, County Judge of Sabine County, Hemphill, Texas.

EXECUTED by authority of an order passed by the Commissioners' Court of Sabine County, Texas, on this the 28th day of April, A.D. 1941.

ATTEST: (seal)

Chas. Forse,  
COUNTY JUDGE.

Mrs. Myrtle Arnold,  
COUNTY CLERK.

ACCEPTED, This the 28th day of April, A.D. 1941.

M. L. Daniels,"

It is ordered by the Court that P. I. Warrant in the sum of \$61.60 be issued, payable to J. E. McGown, Agent, covering Fire Insurance Premium on Policy No. 1013, on Court House, Furniture & Fixtures, Jail House, Books Cases, etc.

There being no further business, Court adjourned.

ATTEST:

Mrs. Myrtle Arnold  
County Clerk.

Chas. Forse  
County Judge

D. B. Spaight  
Commissioner, Precinct No. 1.

\_\_\_\_\_  
Commissioner, Precinct No. 2.

\_\_\_\_\_  
Commissioner, Precinct No. 3.

\_\_\_\_\_  
Commissioner, Precinct No. 4.