

NAVARRO COUNTY COMMISSIONER'S COURT

A Regular meeting of the Navarro County Commissioner's Court was held on Monday, the 14th day of April, 2014 at 10:00 a.m., in the County Courtroom of the Navarro County Courthouse in Corsicana, Texas. Presiding Judge H.M. Davenport, Commissioners present Jason Grant, Dick Martin, David Warren, and James Olsen.

1. 10:02 A.M. Motion to convene by Comm. Olsen sec by Comm. Warren
Carried unanimously
2. Opening prayer by Comm. Grant
3. Pledge of Allegiance
4. Public Comments – No comments

Consent Items

Motion to approve consent agenda items 5-9 by Comm. Martin sec by Comm. Olsen
Carried unanimously

5. Motion to approve minutes from the previous meetings of March 24th, 2014 and March 31, 2014
6. Motion to approve and pay bills as submitted by the County Auditor, including utility run (paid 3/28/2014) and payroll (paid 3/31/2014 and to be paid 4/15/2-14)
7. Motion to approve minutes of the March 6th, 2014 Planning and Zoning meeting
TO WIT PG 331
8. Motion to approve a replat of Rustling Oaks Phase I, Lots 17 and 18 in Block D, Lots 7 & 8A, in Block D and Lots 5,6,7, & 8, in Block E for Emmett Marshall
9. Motion to approve replat of Azure Bay Phase II, Lot 6 for Dudley Knight

Action Items

10. No action taken burn ban remains off
11. Presentation to County Auditor of Government Finance Officers Association Certificate of Achievement for Excellence in Financial Reporting for the FYE 9/30/2012 Combined Annual Financial Report (CAFR)

12. Motion to approve White Dove Ranchettes subdivision, subdivision is 22.194 acres in the J.B. McDaniel Survey 520 tract 63, location is in the Brushie Prairie area by Comm. Olsen sec by Comm. Grant
Carried unanimously
13. Motion to approve accepting the Treasurer's report for January 2014, Frank Hull
By Comm. Martin sec by Comm. Grant
Carried unanimously **TO WIT PG 332-333**
14. Table accepting the Treasurer's report for February 2014, Frank Hull
15. Motion approve the March 2014 Tax Collection Report, Russell Hudson by
Comm. Olsen sec by Comm. Grant
Carried unanimously **TO WIT PG 334-339**
16. Motion to approve City of Corsicana/Corsicana Housing Authority payment (\$17,895.60) in lieu of taxes to Corsicana ISD, Russell Hudson by Comm. Grant sec by Comm. Martin
Carried unanimously
17. Motion to approve hiring of Meredith De Borde as 4-H and Youth Development Agent and Lorie Stovall as the Family Consumer Science Agent, by Donald Kelm, District 8 Extension Administrator by Comm. Olsen sec by Comm. Warren
Carried unanimously
18. Discussion regarding County purchase of Bomag Reclaimer with Lake Trust Fund money
19. Motion to approve the replatting of Lot Six, Section II of Azure Bay to allow approximately 14 sq. ft. of that lot to be granted to Navarro County for future use as an ingress easement by Comm. Warren sec by Comm. Olsen
Carried unanimously
20. Motion to approve purchase of Trail King heavy equipment trailer, Pct.3 by
Comm. Warren sec by Comm. Martin
Carried unanimously
21. Motion to approve Application for Reinvestment Tax Credits by Comm. Olsen sec by Comm. Warren
Carried unanimously **TO WIT PG 340-341**

22. Motion to approve Resolution of the Commissioners Court of Navarro County, Texas, approving the Applications submitted for the Downtown Reinvestment Tax Abatements for George F. Baum, Jr. 102 N. Beaton, Lowell Dunn & Carrie Kindle, 309 N. Beaton, Ed Erwin, 210 E. 4th Ave., Corsicana, Navarro County, Texas by Comm. Grant sec by Comm. Martin
Carried unanimously **TO WIT PG 342**
23. Motion to approve request for funds from USDA for Rehabilitation of Chamber Creek Dam site #129, Pct. 1 by Comm. Grant sec by Comm. Martin
Carried unanimously **TO WIT PG 343-344**
24. Motion to approve declaring salvage a 1990 Ford truck VIN #1FDYW82A6MYA15757, for Pct. 2 by Comm. Martin sec by Comm. Olsen
Carried unanimously
25. Motion to approve authorizing County Auditor to solicit proposals for professional audit services by Comm. Olsen sec by Comm. Grant
Carried unanimously
26. Motion to approve Navarro County Retiree Health Care Plan Actuarial Valuation Report as of 12/31/12 by Comm. Martin sec by Comm. Grant
Carried unanimously **TO WIT PG 345-346**
27. Motion to approve Public Property Finance Act Contract for lease purchase of VolP capable recording system for Communications (Dispatch) by Comm. Olsen sec by Comm. Grant
Carried unanimously **TO WIT PG 347-363**
28. Motion to approve boring of SECR 2380 to repair gas leak, Tri-State Energy, Pct. 3 by Comm. Warren sec by Comm. Olsen
Carried unanimously **TO WIT PG 364-366**
29. Motion to go into Executive Session Pursuant to the Texas Government Code Section 551.072 to discuss Real Property by Comm. Grant sec by Comm. Martin
Carried unanimously

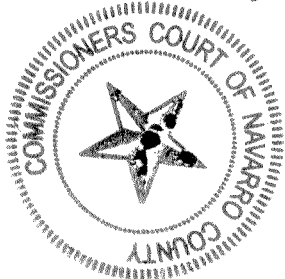
Motion to come out of Executive Session by Comm. Olsen sec by Comm. Warren
Carried unanimously
30. No action taken on Executive Session pursuant to the Texas Government Code Section 551.072 to discuss Real Property

31. Motion to adjourn by Comm. Martin sec by Comm. Warren
Carried unanimously

I, SHERRY DOWD, NAVARRO COUNTY CLERK, ATTEST THAT THE FOREGOING IS A TRUE AND ACCURATE ACCOUNTING OF THE COMMISSIONERS COURT'S AUTHORIZED PROCEEDING FOR APRIL 14TH, 2014.

SIGNED 14TH DAY OF APRIL, 2014.


SHERRY DOWD, COUNTY CLERK



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NAVARRO COUNTY OFFICE OF PLANNING & DEVELOPMENT

Phil Seely - Director
Osha Joles – Addressing



Stanley Young – Environmental Services
Scott Wiley – Environmental Services

www.co.navarro.tx.us

PLANNING AND ZONING COMMISSION MINUTES

April 3rd, 2014

5:00 P.M.

The meeting was called to order with seven members present. The roll was called and the attendance was as follows:

Chairman Jacobson – present
Scott Watkins –present
Carroll Sigman – absent
Vicki Farmer –present
Dennis Bancroft – absent
Kit Herrington - present
Kim Newsom – absent

Vice Chairman Schoppert –present
Conrad Newton – present
Kyle Carrigan - absent
Jeff Smith - absent
Dolores Baldwin – absent
Caleb Jackson –absent
Barbara Moe - present

Item #2 on the agenda was recognition of service for Charles Irvine. The Board thanked Mr. Irvine for his many years of service.

Item #3 on the agenda was consideration of the minutes of the March 6th, 2014 Planning and Zoning meeting. Motion to approve by Commissioner Moe, second by Commissioner Schoppert, all voted aye.

Item #4 on the agenda was consideration of a replat of Rustling Oaks Ph. I: Lot # 17 & 18 in Block D, Lot # 7 & 8A in Block D and Lot # 5, 6, 7 & 8 in Block E for Emmett Marshall. Motion to approve by Commissioner Newton, second by Commissioner Watkins, all voted aye.

Item #5 on the agenda was consideration of a replat of Azure Bay Ph. II Lot # 6 for Dudley Knight. Motion to approve by Commissioner Farmer, second by Commissioner Moe, all voted aye.

Adjourn.

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AFFIDAVIT SUBMITTED BY
Frank Hull
NAVARRO COUNTY TREASURER



STATE OF TEXAS
COUNTY OF NAVARRO
January, 2014

I, Frank Hull, Navarro County Treasurer, present the following report to the Navarro County Commissioner's Court and affirm the foregoing Monthly Report to be true and correct statement to the best of my knowledge of all accounts under the control of the Navarro County Treasurer.

Whereas, Section 114.026 of the Local Government Code requires a Treasurer's Report be submitted at least once a month to the Commissioner Court at a regular term; and

Whereas, the Navarro County Commissioners Court has compared and examined the Treasurer's Report submitted for approval on April, 14 2014 which is attached hereto and has determined that the Treasurer's Report is correct.

It is therefore ordered, that the Navarro County Treasurer's Report which is attached is approved as presented by the Navarro County Treasurer to the Commissioner's Court of Navarro County, Texas and this Order Approving the Navarro County Treasurer's Report are to be entered into the Minutes.

With this signed affidavit, We the Commissioners Court, state that the requirements of Subsection (C) have been met with the examination of this report.

H. M. Davenport Jr. - County Judge

Jason Grant - Commissioner Pct. 1

Richard Martin - Commissioner Pct. 2

David Warren - Commissioner Pct 3

James Olsen - Commissioner Pct 4

SWORN AND SUBSCRIBED TO BEFORE ME, this 14 Th day of April, 2014 by H. M. Davenport, Jason Grant, Richard Martin, David Warren, and James Olsen, in their official capacities as the members of the Navarro County Commissioners Court.

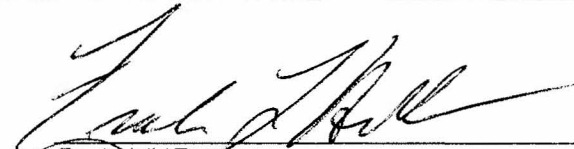


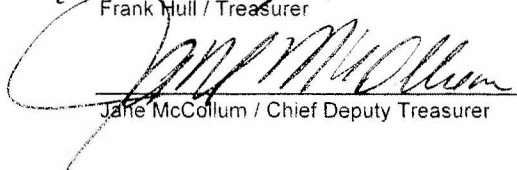
Sherry Dowd - Navarro County Clerk

NAVARRO COUNTY, TEXAS
 REPORT OF CASH AND INVESTMENTS
 FOR THE MONTH OF JANUARY, 2014

FUND	BEGINNING BALANCE	RECEIPTS	TEX POOL DEP/WD	DISBURSEMENTS	ENDING BALANCE	BANK INTEREST	TEX POOL BALANCE	TEX POOL INTEREST	TOTAL
GENERAL	5,274,445.31	3,198,475.29		2,024,307.27	6,448,613.33	4,175.88	824,017.09	32.49	7,272,630.42
COMMUNITY SUPERVISION	321,091.28	50,682.36		85,769.64	286,004.00	203.05	91,200.45	3.57	377,204.45
JUVENILE PROBATION	87,541.75	32,133.13		30,479.35	89,195.53	57.13	35,816.01	1.40	125,011.54
FLOOD CONTROL	662,259.80	44,497.91		3,000.00	703,757.71	438.87	2,117.50	-	705,875.21
ROAD & BRIDGE - PCT 1	273,790.16	139,173.14		309,020.01	103,943.29	766.29	87,472.55	3.46	191,415.84
ROAD & BRIDGE - PCT 2	177,969.56	138,774.78		-	316,744.34	13.02	175,640.87	6.94	492,385.21
ROAD & BRIDGE - PCT 3	151,790.93	138,418.79		-	290,209.72	11.93	84,756.62	2.56	354,966.34
ROAD & BRIDGE - PCT 4	510,931.28	138,433.55		-	649,364.83	26.69	31,000.08	1.23	680,364.91
H.I.D.T.A.	15,558.29	9.91		-	15,568.20	9.91	-	-	15,568.20
H.I.D.T.A. SEIZURE	257.01	0.16		-	257.17	0.16	1,665.65	-	1,922.82
DEBT SERVICE	247,454.92	88,442.41		-	335,897.33	192.08	2,139.67	-	338,037.00
CAPITAL PROJECTS	80,066.53	50.71		4,705.46	75,411.78	50.71	105,006.88	4.15	180,418.66
SHERIFF SEIZURE	185,897.85	117.90		1,000.00	185,015.75	117.90	148,112.75	5.80	333,128.50
DISTRICT ATTY FORF	59,061.42	37.43		4,552.48	54,546.37	37.43	110,159.95	4.33	164,706.32
HEALTH INSURANCE	249,719.38	221,871.94		226,527.18	245,064.14	132.88	11,730.52	0.42	256,794.66
ECONOMIC DEVELOPMENT	212.22	0.14		-	212.36	0.14	2,109.32	-	2,321.68
TRUST	1,476,831.94	34,355.70		57,695.99	1,453,491.65	986.54	257,134.96	10.12	1,710,626.61
LAKE TRUST	231.52	0.15		-	231.67	0.15	93,377.76	3.71	93,609.43
REVOLVING & CLEARING	575,212.47	321,794.44		3,108,569.16	678,303.75	697.86	750.02	-	679,053.77
PAYROLL FUND	6,396.61	1,406,925.94		1,404,752.33	8,570.22	57.54	-	-	8,570.22
DISBURSEMENT FUND	3,425.74	1,014,400.63		1,011,325.66	6,500.71	124.01	-	-	6,500.71
TOTAL	10,360,145.97	6,968,596.41		8,271,704.53	11,946,903.85	8,100.17	2,044,208.65	80.18	13,991,112.50

	CURRENT MONTH	YTD
INTEREST EARNED:	8,180.35	27,993.54


 Frank Hull / Treasurer 4/3/14
Date


 Jodie McCollum / Chief Deputy Treasurer 4-1-14
Date

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FILED FOR RECORD
AT 2:25 O'CLOCK P M.

APR 10 2014

SHERRY DOWD
COUNTY CLERK NAVARRO COUNTY, TEXAS
BY OK DEPUTY

I, RUSSELL P HUDSON, NAVARRO COUNTY TAX ASSESSOR/COLLECTOR, DO HEREBY SWEAR UNDER OATH,
THAT THE ATTACHED REPORT IS A TRUE AND CORRECT REPORT.

TOTAL PAGES INCLUDING COVER SHEET 6

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NAVARRO COUNTY , TEXAS
AD VALOREM TAXES COLLECTED DURING THE MONTH ENDING March 2014

DESCRIPTION	TAXES	DISCOUNT	PENALTY & INTEREST	SUBTOTAL	COLLECTION FEE	RENDITION PENALTY CAD %	NET TAXES DUE	MEMO ONLY ATTY FEES	% CURRENT COLLECTED
NAVARRO COUNTY									LEVY
CURRENT	287,350.89		23,228.15	310,579.04		2.57	310,576.47	1,797.42	16,929,693.42
DELINQUENT	41,168.91		16,691.02	57,859.93		0.68	57,859.25	10,781.33	%
TOTAL	328,519.80	-	39,919.17	368,438.97	-	3.25	368,435.72	12,578.75	1.70%
NAVARRO COLLEGE									LEVY
CURRENT	56,522.55		4,528.93	61,051.48		0.5	61,050.98	344.99	3,329,434.41
DELINQUENT	8,209.79		3,396.68	11,606.47		0.13	11,606.34	2,130.76	%
TOTAL	64,732.34	-	7,925.61	72,657.95	-	0.63	72,657.32	2,475.75	1.70%
CITY OF RICE									LEVY
CURRENT	3,581.03	-	298.43	3,879.46	92.55		3,786.91	82.66	152,601.41
DELINQUENT	250.65		81.86	332.51	21.74		310.77	66.51	%
TOTAL	3,831.68	-	380.29	4,211.97	114.29	0.00	4,097.68	149.17	2.35%
CITY OF KERENS									LEVY
CURRENT	6,332.41		474.35	6,806.76			6,806.76	-	260,960.76
DELINQUENT	5,029.44	-	1,613.67	6,643.11			6,643.11	331.08	%
TOTAL	11,361.85	-	2,088.02	13,449.87	-	0.00	13,449.87	331.08	2.43%
CITY OF CORSICANA									LEVY
CURRENT	107,686.18	-	8,813.83	116,500.01		2.32	116,497.69	1,189.22	7,565,103.57
DELINQUENT	17,500.08	-	6,676.10	24,176.18		0.05	24,176.13	4,788.97	%
TOTAL	125,186.26	-	15,489.93	140,676.19	-	2.37	140,673.82	5,978.19	1.42%

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NAVARRO COUNTY , TEXAS
AD VALOREM TAXES COLLECTED DURING THE MONTH ENDING March 2014

DESCRIPTION	TAXES	DISCOUNT	PENALTY & INTEREST	SUBTOTAL	COLLECTION FEE	RENDITION PENALTY	NET TAXES DUE	MEMO ONLY ATTY FEES	% CURRENT COLLECTED
CITY OF BARRY									LEVY
CURRENT	228.55		17.67	246.22			246.22	-	18,562.29
DELINQUENT				-			-		%
TOTAL	228.55	-	17.67	246.22	-	0	246.22	-	1.23%
CITY OF EMHOUSE									LEVY
CURRENT	136.79	-	12.29	149.08			149.08		8,544.99
DELINQUENT				-			-		%
TOTAL	136.79	-	12.29	149.08	-	0	149.08	-	1.60%
CITY OF RICHLAND									LEVY
CURRENT	857.52	-	74.64	932.16			932.16		18,439.02
DELINQUENT	18.87		5.95	24.82			24.82	4.97	%
TOTAL	876.39	-	80.59	956.98	-	0	956.98	4.97	4.65%
CITY OF GOODLOW									LEVY
CURRENT	29.24	-	1.91	31.15	0.62		30.53		3,932.47
DELINQUENT	64.73		30.86	95.59	8.04		87.55	19.11	%
TOTAL	93.97	-	32.77	126.74	8.66	0	118.08	19.11	74.00%
CITY OF FROST									LEVY
CURRENT	1,721.01		133.64	1,854.65	42.01		1,812.64		83,451.94
DELINQUENT	669.04		309.64	978.68	80.77		897.91	180.00	%
TOTAL	2,390.05	-	443.28	2,833.33	122.78	0	2,710.55	180.00	2.06%
CITY OF DAWSON									LEVY
CURRENT	1,829.97		160.86	1,990.83			1,990.83		74,742.31
DELINQUENT	354.89		143.87	498.76			498.76	90.77	%
TOTAL	2,184.86	-	304.73	2,489.59	-	0	2,489.59	90.77	2.45%

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NAVARRO COUNTY , TEXAS
AD VALOREM TAXES COLLECTED DURING THE MONTH ENDING March 2014

DESCRIPTION	TAXES	DISCOUNT	PENALTY & INTEREST	SUBTOTAL	COLLECTION FEE	RENDITION PENALTY	NET TAXES DUE	MEMO ONLY ATTY FEES	% CURRENT COLLECTED
CITY-BLOOMING GROVE									LEVY
CURRENT	999.69		57.02	1,056.71			1,056.71		102,399.56
DELINQUENT	525.65		229.30	754.95			754.95	150.99	%
TOTAL	1,525.34	-	286.32	1,811.66	-	0.00	1,811.66	150.99	0.98%
NAVARRO COUNTY ESD #1									LEVY
CURRENT	3,040.12	-	234.96	3,275.08	73.97		3,201.11	2.62	138,235.88
DELINQUENT	608.21		208.30	816.51	55.12		761.39	109.62	%
TOTAL	3,648.33	-	443.26	4,091.59	129.09	0	3,962.50	112.24	2.20%
BLOOMING GROVE ISD									LEVY
CURRENT	23,893.63		1,885.95	25,779.58			25,779.58	33.85	1,583,763.31
DELINQUENT	4,816.58		1,785.40	6,601.98		1.13	6,600.85	1,271.70	%
TOTAL	28,710.21	-	3,671.35	32,381.56	-	1.13	32,380.43	1,305.55	
DAWSON ISD									LEVY
CURRENT	26,704.55		2,181.53	28,886.08			28,886.08		1,741,728.59
DELINQUENT	1,116.87		406.21	1,523.08			1,523.08	289.59	%
TOTAL	27,821.42	-	2,587.74	30,409.16	-	0	30,409.16	289.59	1.53%
RICE ISD									LEVY
CURRENT	24,523.84		2,102.46	26,626.30			26,626.30	219.36	1,521,159.70
DELINQUENT	2,563.91		819.67	3,383.58			3,383.58	676.69	%
TOTAL	27,087.75	-	2,922.13	30,009.88	-	0.00	30,009.88	896.05	1.61%

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NAVARRO COUNTY , TEXAS
AD VALOREM TAXES COLLECTED DURING THE MONTH ENDING March 2014

DESCRIPTION	TAXES	DISCOUNT	PENALTY & INTEREST	SUBTOTAL	COLLECTION FEE	RENDITION PENALTY	NET TAXES DUE	MEMO ONLY ATTY FEES	% CURRENT COLLECTED
CORSICANA ISD									LEVY
CURRENT	266,672.02		22,660.75	289,332.77		5.26	289,327.51	3,289.81	17,161,090.96
DELINQUENT	39,216.69		14,190.18	53,406.87		0.10	53,406.77	10,628.14	%
TOTAL	305,888.71	-	36,850.93	342,739.64	-	5.36	342,734.28	13,917.95	1.55%
FROST ISD									LEVY
CURRENT	14,124.89		1,185.53	15,310.42			15,310.42		1,075,998.06
DELINQUENT	10,388.53		7,384.25	17,772.78			17,772.78	3,410.87	%
TOTAL	24,513.42		8,569.78	33,083.20			33,083.20	3,410.87	1.31
GRAND TOTAL	958,737.72	-	122,025.86	1,080,763.58	374.82	12.74	1,080,376.02	41,891.03	

**COLLECTIONS FOR FROST ISD BEGAN 7/1/2012

TOTAL COLLECTED	<u>1,122,474.61</u>	COUNTY	<u>93.79%</u>	CITY - FROST	<u>87.33%</u>
ROLLBACK TAXES	<u> </u>	COLLEGE	<u>93.65%</u>	CITY DAWSON	<u>86.37%</u>
TAX CERTIFICATES	<u>1,100.00</u>	RICE	<u>92.32%</u>	CITY-BL GROVE	<u>88.69%</u>
HOT CK FEES	<u>120.00</u>	KERENS	<u>88.73%</u>	NC ESD #1	<u>92.84%</u>
		CORSICANA	<u>95.13%</u>	B G ISD	<u>90.17%</u>
		BARRY	<u>88.29%</u>	DAWSON ISD	<u>93.60%</u>
		EMHOUSE	<u>76.27%</u>	RICE ISD	<u>92.78%</u>
		RICHLAND	<u>83.30%</u>	CORSICANA ISD	<u>95.00%</u>
		GOODLOW	<u>76.33%</u>	FROST ISD	<u>92.66%</u>

NAVARRO COUNTY, TEXAS
AD VALOREM TAXES COLLECTED DURING THE MONTH OF MARCH 2014

	TAXES	PENALTY & INTEREST	SUBTOTAL	RENDITION PENALTY CAD %	NET TAXES DUE	MEMO ONLY ATTORNEY FEES
CURRENT TAXES						
COUNTY	234,452.75	18,940.61	253,393.36	2.09	253,391.27	1,464.69
ROAD & BRIDGE	48,819.14	3,958.42	52,777.56	0.45	52,777.11	307.06
FLOOD CONTROL	4,079.00	329.12	4,408.12	0.03	4,408.09	25.67
TOTAL	287,350.89	23,228.15	310,579.04	2.57	310,576.47	1,797.42
DELINQUENT TAXES						
COUNTY	33,703.64	13,714.15	47,417.79	0.55	47,417.24	8,821.14
STATE	-	-	-	-	-	-
ROAD & BRIDGE	6,880.87	2,738.24	9,619.11	0.12	9,618.99	1,807.56
FLOOD CONTROL	584.40	238.63	823.03	0.01	823.02	152.63
TOTAL	41,168.91	16,691.02	57,859.93	0.68	57,859.25	10,781.33
TOTAL ALLOCATION						
COUNTY	268,156.39	32,654.76	300,811.15	2.64	300,808.51	10,285.83
STATE	-	-	-	-	-	-
ROAD & BRIDGE	55,700.01	6,696.66	62,396.67	0.57	62,396.10	2,114.62
FLOOD CONTROL	4,663.40	567.75	5,231.15	0.04	5,231.11	178.30
TOTAL	328,519.80	39,919.17	368,438.97	3.25	368,435.72	12,578.75

COUNTY TAX REPORT
Prepared by Gail Smith
Navarro County Tax Office

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ITEM NO. 2014-06

DATE: April 14, 2014

SUBJECT: Historic Downtown District Reinvestment Tax Credit

Comments: Attached is a listing of three additional property owners requesting tax abatement based on their 2013 expenditures to maintain and improve downtown buildings. These three property owners were inadvertently left off the list of 20 property owners requesting tax abatement that was approved previously by the City Council on February 24, 2014. Property owners will be reimbursed by the City of Corsicana and Navarro County based on their investment relative to their maximum taxation by both the City and County. Downtown property owners are eligible to apply for this incentive each year.

Below is the 2013 Summary of the Downtown Corsicana Reinvestment Tax Credits, which includes tax credits previously approved by the City Council on February 24, 2014 and the County Commissioners Court on March 24, 2014.

TOTALS FOR THIS RESOLUTION:

Total Downtown Property Tax Credit Applications	3
Total County Tax Credits	\$1,514.15
Total Project Expenditures Reported	\$6,688.00

COMBINED TOTALS FOR 2013:

Total Downtown Property Tax Credit Applications	23
Total Project Expenditures Reported	\$ 188,406.89
Total Navarro County Tax Credits	\$13,522.07
Total City of Corsicana Tax Credits	\$20,906.06
Total Tax Credits Issued	\$34,428.89

Recommendation: Approve applications for Reinvestment Tax Credits.

MOTION:

I MOVE TO APPROVE THE APPLICATIONS FOR REINVESTMENT TAX CREDITS.

EXHIBIT "A"

2013 Reinvestment Tax Credit Corsicana Downtown Revitalization District Navarro County, Texas

April 14, 2014

<u>Property Address</u>	<u>Property Owner</u>	<u>Maximum City Tax Credit</u>
102 N. Beaton	George F. Baum, Jr. <i>Repairs: Replaced broken storefront window</i> <i>Total reported: \$425.00</i> <i>NCAD Property ID: 40166</i>	\$153.27
309 N. Beaton	Lowell Dunn & Carrie Kindle <i>Repairs: Roof repair & damage inside</i> <i>Total reported: \$3,600.00</i> <i>NCAD Property ID: 35017</i>	\$754.34
210 E. 4 th Ave.	Ed Erwin <i>Repairs: Portion of 2nd floor framed by owner but not floored:</i> <i>Total reported: \$2,663.00</i> <i>NCAD Property ID: 35003 & 35004</i>	\$606.54

Total County Tax Credit	\$1,514.15
Total Reinvestment Reported	\$6,688.00

Previously Approved on Feb. 14, 2014:

Total County Tax Credit	\$ 12,007.92
Total Reinvestment Reported	\$167,291.99

Total County Tax Credit for CDRD for 2013:

Total County Tax Credit	\$13,522.07
Total Reinvestment Reported	\$188,406.89

#002

RESOLUTION NO. 2014-06

A RESOLUTION OF THE COMMISSIONERS COURT OF NAVARRO COUNTY, TEXAS, APPROVING THE APPLICATIONS SUBMITTED FOR DOWNTOWN REINVESTMENT TAX ABATEMENTS.

WHEREAS, the City Council of Corsicana passed Ordinance No. 2538 on July 3, 2007 creating the Downtown Revitalization District as a designated reinvestment zone providing for reinvestment tax abatements to downtown property owners in an effort to encourage the maintenance and revitalization of the historic downtown area; and

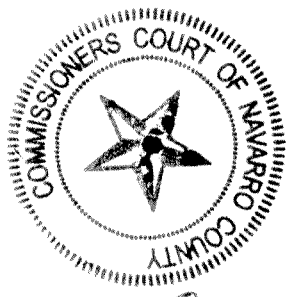
WHEREAS, the ordinance allows for a tax abatement on improvements made to downtown buildings and provides for a dollar for dollar tax credit to downtown property owners on approved expenditures; and

WHEREAS, the attached "Exhibit A" identifies the applicants, the location, the proposed improvements to the properties and the amount of the tax credit; and

WHEREAS, all eligible property owners are current with all ad valorem property taxes and have met all criteria as outlined in Ordinance No. 2538.

NOW, THEREFORE, BE IT RESOLVED BY THE COMMISSIONERS COURT OF NAVARRO COUNTY, TEXAS, that the applications for downtown reinvestment tax abatements, identified on the attached Exhibit A, are hereby approved.

PASSED and APPROVED by majority vote of the Commissioners Court of Navarro County, Texas, this 14th day of **April, 2014**.



[Handwritten Signature]

H.M. Davenport, Jr., County Judge

ATTEST:

[Handwritten Signature]

Sherry Dowd, County Clerk

#23

343

APPLICATION FOR FEDERAL ASSISTANCE

1. TYPE OF SUBMISSION: Application <input checked="" type="checkbox"/> Construction <input type="checkbox"/> Non-Construction		2. DATE SUBMITTED 4/14/14	Applicant Identifier
Pre-application <input type="checkbox"/> Construction <input type="checkbox"/> Non-Construction		3. DATE RECEIVED BY STATE	State Application Identifier
		4. DATE RECEIVED BY FEDERAL AGENCY	Federal Identifier

5. APPLICANT INFORMATION	
Legal Name: Navarro Soil & Water Conservation District 514	Organizational Unit: Department:
Organizational DUNS: 44203305	Division:
Address: Street: 4323 W. Hwy 22	Name and telephone number of person to be contacted on matters involving this application (give area code) Prefix: First Name: Bobby
City: Corsicana	Middle Name Dan
County: Navarro	Last Name Wilson
State: Texas	Suffix:
Zip Code 75110	Email: navarro swcd@tx.nacdnet.org

6. EMPLOYER IDENTIFICATION NUMBER (EIN): 7 5 - 1 5 7 3 7 6 2	Phone Number (give area code) 903-874-5131	Fax Number (give area code) 903-872-1130
--	---	---

8. TYPE OF APPLICATION: <input checked="" type="checkbox"/> New <input type="checkbox"/> Continuation <input type="checkbox"/> Revision If Revision, enter appropriate letter(s) in box(es) (See back of form for description of letters.) Other (specify)	7. TYPE OF APPLICANT: (See back of form for Application Types) B Other (specify)
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9. NAME OF FEDERAL AGENCY:

10. CATALOG OF FEDERAL DOMESTIC ASSISTANCE NUMBER: TITLE (Name of Program): 1 0 - 9 1 6	11. DESCRIPTIVE TITLE OF APPLICANT'S PROJECT: Rehabilitation of FRS 129 Chambers Creek/Trinity River Watershed
--	--

12. AREAS AFFECTED BY PROJECT (Cities, Counties, States, etc.): Navarro County
--

13. PROPOSED PROJECT Start Date: 8-1-14 Ending Date: 10-1-17	14. CONGRESSIONAL DISTRICTS OF: a. Applicant #6 b. Project #6
---	--

15. ESTIMATED FUNDING:	16. IS APPLICATION SUBJECT TO REVIEW BY STATE EXECUTIVE ORDER 12372 PROCESS?
a. Federal \$ 927,750.00	a. Yes. <input checked="" type="checkbox"/> THIS PREAPPLICATION/APPLICATION WAS MADE AVAILABLE TO THE STATE EXECUTIVE ORDER 12372 PROCESS FOR REVIEW ON
b. Applicant \$.00	DATE:
c. State \$ 519,750.00	b. No. <input type="checkbox"/> PROGRAM IS NOT COVERED BY E. O. 12372
d. Local \$ 52,500.00	<input type="checkbox"/> OR PROGRAM HAS NOT BEEN SELECTED BY STATE FOR REVIEW
e. Other \$.00	17. IS THE APPLICANT DELINQUENT ON ANY FEDERAL DEBT?
f. Program Income \$.00	<input type="checkbox"/> Yes If "Yes" attach an explanation. <input checked="" type="checkbox"/> No
g. TOTAL \$ 1,500,000.00	

18. TO THE BEST OF MY KNOWLEDGE AND BELIEF, ALL DATA IN THIS APPLICATION/PREAPPLICATION ARE TRUE AND CORRECT. THE DOCUMENT HAS BEEN DULY AUTHORIZED BY THE GOVERNING BODY OF THE APPLICANT AND THE APPLICANT WILL COMPLY WITH THE ATTACHED ASSURANCES IF THE ASSISTANCE IS AWARDED.

a. Authorized Representative		
Prefix	First Name Clifford	Middle Name
Last Name Williams		Suffix
b. Title Chairman		c. Telephone Number (give area code) 903-654-2500
d. Signature of Authorized Representative 		e. Date Signed 4/11/14

Navarro Soil & Water Conservation District 514
(Name of Sponsor)

By _____

Title _____

4323 W. 22 Corsicana Tx. 75110
(Address) (Zip Code)

Date _____

The signing of this application was authorized by resolution of the governing body of the Navarro Soil & Water Conservation District 514 adopted at a meeting held on March 21, 2014.

(Secretary) P.O. Box 613
Dawson, Tx (Address) 76639 (Zip Code)

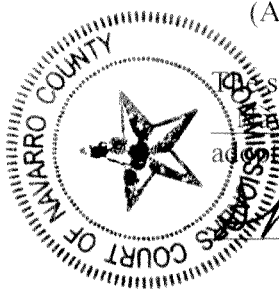
Navarro County Commissioners Court
(Name of Sponsor)

By [Signature]

Title County Judge

300 W. 3rd Ave. Suite 14
Corsicana, Tx. 75110
(Address) (Zip Code)

Date 4-14-14



The signing of this application was authorized by resolution of the governing body of the Navarro County Commissioners Court adopted at a meeting held on April 14, 2014.

[Signature] (Secretary) 300 W 3rd Ave. Suite 101 (Address) 75110 (Zip Code)

(Name of Sponsor)

By _____

Title _____

(Address) (Zip Code)

Date _____

The signing of this application was authorized by resolution of the governing body of the _____ adopted at a meeting held on _____.

(Secretary) _____ (Address) _____ (Zip Code)

EXECUTIVE SUMMARY

Liabilities and Assets

Unfunded PAYGO Assumption

This scenario assumes the current pay-as-you-go (PAYGO) funding policy will continue, i.e., the annual employer contributions each year are equal to the benefits that are paid on behalf of the retirees. Under this funding policy, GASB 45 requires the use of a discount rate consistent with the investment return earned on the employer's general assets. In this valuation, the discount rate is 4.50%.

The present value of all benefits expected to be paid to current plan members as of December 31, 2012 is \$1,097,869. The actuarial accrued liability, which is the portion of the \$1,097,869 attributable to service accrued by plan members as of December 31, 2012, is \$680,604. As of December 31, 2012, there is \$0 in valuation assets available to offset the liabilities of the plan.

The funded status of the plan, which is the ratio of plan assets to actuarial accrued liability, as of December 31, 2012 is 0.00%.

Funding policy Assumption

This scenario assumes the employer will set up an irrevocable trust and change the funding policy so that the annual employer contributions are equal to the ARC. Under this funding policy, GASB 45 allows the use of a discount rate consistent with the investment return earned on the plan's assets. Depending on the asset allocation of the investment pool, this rate should be based on longer term investments. In this valuation, the discount rate is 7.50%.

The present value of all benefits expected to be paid to current plan members as of December 31, 2012 is \$727,534. The actuarial accrued liability, which is the portion of the \$727,534 attributable to service accrued by plan members as of December 31, 2012, is \$500,788. As of December 31, 2012, there is \$0 in valuation assets available to offset the liabilities of the plan.

The funded status of the plan, which is the ratio of plan assets to actuarial accrued liability, as of December 31, 2012 is 0.00%.

EXECUTIVE SUMMARY

Annual Required Contribution

This report presents the annual expense required to be recognized by the plan sponsor for purposes of complying with the accounting requirements of Government Accounting Standards Board Statement No. 45. In addition, the plan may also need to comply with GASB Statement No. 43. Please consult with legal counsel and the auditors to determine whether you have a plan for GASB Statement No. 43 purposes.

The Annual Required Contribution (ARC) for the fiscal year beginning October 1, 2012 has been calculated under the two different interest rate assumptions. Below is a summary of the Annual Required Contribution. In the first year GASB Statement No. 45 is adopted, the annual OPEB cost required to be disclosed on the employer's financial statements is equal to the ARC. Actual claims/premiums paid on behalf of retirees may be treated as employer contributions in relation to the ARC and act to reduce the Net OPEB Obligation (NOO).

<u>Annual Required Contribution</u>	<u>Unfunded PAYGO</u>	<u>Funding policy</u>
Fiscal Year Beginning 2012	\$67,041	\$54,861

For additional details please see Section B of the report.

Additional OPEB Reporting Requirements

In addition to the annual OPEB cost described above, employers will have to disclose a Net OPEB Obligation (or asset). The Net OPEB Obligation is the cumulative difference between annual OPEB costs and annual employer contributions in relation to the ARC, accumulated from the implementation of Statement No. 45. The Net OPEB Obligation is zero as of the beginning of the fiscal year that Statement No. 45 is implemented, unless the employer chooses to recognize a beginning balance. The requirements for determining the employer's contributions in relation to the ARC are described in paragraph 13 g. of Statement No. 45. Additional information required to be disclosed in the employer's financial statements is detailed in paragraphs 24 through 27 of Statement No. 45.

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PUBLIC PROPERTY FINANCE ACT CONTRACT

THIS Public Property Finance Act Contract **No.6604** (hereafter referred to as the "Finance Contract") is dated as of **March 10, 2014**, by and between **Government Capital Corporation**, a Texas corporation (herein referred to as "GCC"), and the **Navarro County**, a political sub-division or agency of the State of Texas (hereinafter referred to as the "Issuer").

WITNESSETH: In furtherance of the providing by GCC of financing to the Issuer in connection with the Issuer's acquisition from *VistaCom* that is more fully described on EXHIBIT A attached hereto (the "Property"), and in consideration of the mutual covenants and conditions hereinafter set forth, pursuant to the provisions of the Public Property Finance Act, Chapter 271, Subchapter A, Texas Local Government Code, as amended (the "Act"), the parties agree as follows:

1. Term and Payments. The Issuer hereby covenants and agrees to pay to the order of GCC and GCC's successors and assigns those principal and interest installment amounts in those sums set forth on EXHIBIT B attached hereto (the "Payments") on or before those dates per installment that are more fully set forth on EXHIBIT B (the "Payment Dates"). It is acknowledged and understood that GCC may assign its rights hereunder to a third party and that notice of said assignment shall be provided to the Issuer and that the Issuer, thereafter, shall look to and consider said assignee as the party to whom all of the Issuer's duties hereunder are owed. The obligation of the Issuer to make the Payments shall not be subject to set-off, counterclaim, or recoupment to the extent permitted by law. The interest is calculated on the basis of a 30/360-day year on the unpaid principal amounts from the Schedule Date of the EXHIBIT B.

2. Security, Levy of Taxes, Budgeting.

(a) During the term of this Finance Contract, the Issuer covenants that prior to adopting a budget for any ensuing fiscal year it shall place in its proposed budget for such ensuing fiscal year an amount necessary to pay the Finance Contract Payments for such ensuing fiscal year, and that the final budget for each fiscal year shall set aside and appropriate out of Maintenance Taxes and other revenues and funds lawfully available therefore an amount sufficient to pay the Finance Contract Payments. The Issuer hereby agrees to assess and collect, a continuing direct annual Maintenance Tax on all taxable property within the boundaries of the Issuer, within the limitations prescribed by law, at a rate from year to year sufficient, together with such other revenues and funds lawfully available to the Issuer for the payment of the Payments, to provide funds each year to pay the Payments, full allowance being made for delinquencies and costs of collection. Such taxes and such revenues and funds in an amount sufficient to make the Payments are pledged to GCC and GCC's successors and assigns for such purpose as the same shall become due and payable under this Finance Contract.

(b) The Issuer waives all rights of set-off, recoupment, counterclaim and abatement against GCC and GCC's successors and assigns with respect to the amounts due under this Finance Contract, and the Issuer's obligation to pay amounts due under this Finance Contract is absolute and unconditional and not subject to set-off, recoupment, counterclaim or abatement for any reason whatsoever.

3. Deposit into the Payment Fund.

(a) Upon this Finance Contract taking effect the Issuer shall establish a Payment Fund, which shall be maintained by the Issuer as long as any Payments are unpaid. The Issuer hereby pledges the Payment Fund for the exclusive purpose of securing the Payments and shall apply the funds therein to the payment of Payments as such payments come due.

(b) Each year in which Payments come due, the Issuer shall, not later than the day preceding any such due date, deposit into the Payment Fund, from the Issuer's maintenance and operations taxes or other lawfully available funds (within the limits prescribed by law) an amount sufficient to make such payment. To the extent permitted by law, the Issuer hereby pledges its maintenance and operations tax as security for this obligation. To the extent required by the Texas Constitution the Issuer agrees during each year of the term of this Finance Contract to assess and collect annually a sufficient sum to pay the greater of (1) interest on the debt created by this Finance Contract and a sinking fund of at least two percent of the principal amount of such debt, or (2) the payments required by Exhibit B attached hereto.

(c) The Payment Fund shall be depleted at least once a year except for a carryover amount not to exceed one twelfth (1/12) of the amount of the Payments expected to come due in the following year.

4. Taxes. The Issuer agrees to directly pay all taxes, insurance and other costs of every nature associated with its ownership of the Property.

5. The Issuer's Covenants and Representations. The Issuer covenants and represents as follows:

(a) The Issuer will provide an opinion of its counsel to the effect that, it has full power and authority to enter into this Finance Contract which has been duly authorized, executed, and delivered by the Issuer and is a valid and binding obligation enforceable in accordance with its terms, and all requirements for execution, delivery and performance of this Finance Contract have been, or will be, complied with in a timely manner;

(b) All Payments hereunder for the current fiscal period have been duly authorized and will be paid when due;

(c) There are no pending or threatened lawsuits or administrative or other proceedings contesting the authority for, authorization of performance of, or expenditure of funds pursuant to this Finance Contract;

(d) The information supplied and statements made by the Issuer in any financial statement or current budget prior to or contemporaneously with this Finance Contract are true and correct;

(e) The Issuer has complied with all bidding/proposal laws applicable to this transaction and the purchase of the Property.

(f) No contract, rental agreement, lease-purchase agreement, payment agreement or contract for purchase under the Act to which the Issuer has been a party at any time during the past ten (10) years has been terminated by the Issuer as a result of insufficient funds being appropriated in any Fiscal Year. No event has occurred which would constitute an event of default under any debt, revenue bond or obligation which the Issuer has issued during the past ten (10) years.

(g) The Issuer will pay the Contract Payment Due by check, wire transfer, or ACH only.



GOVERNMENT CAPITAL

6. Use and Licenses. The Issuer shall pay and discharge all operating and other expenses of every nature associated with its use of the Property. The Issuer shall obtain, at its expense, all registrations, permits and licenses, if any, required by law for the installation and operation of the Property.

7. Maintenance. The Issuer agrees to be solely responsible for all maintenance and operating costs of every nature associated with its ownership of the Property and the Issuer acknowledges that GCC or GCC's successors or assigns shall have no responsibility for the payment of any such costs.

8. Damage to or Destruction of Property. The Issuer shall bear the entire risk of loss, damage, theft, or destruction of the Property from any and every cause whatsoever, and no loss, damage, destruction, or other event shall release the Issuer from the obligation to pay the full amount of the payments or from any other obligation under this Finance Contract.

9. No Warranty. EXCEPT FOR REPRESENTATIONS, WARRANTIES, AND SERVICE AGREEMENTS RELATING TO THE PROPERTY MADE OR ENTERED INTO BY THE MANUFACTURERS OR SUPPLIERS OF THE PROPERTY, IF ANY, ALL OF WHICH ARE HEREBY ASSIGNED TO THE ISSUER, GCC HAS MADE AND MAKES NO REPRESENTATION OR WARRANTY, EXPRESS OR IMPLIED, AND ASSUMES NO OBLIGATION WITH RESPECT TO THE TITLE, MERCHANTABILITY, CONDITION, QUALITY OR FITNESS OF THE PROPERTY DESCRIBED IN EXHIBIT A FOR ANY PARTICULAR PURPOSE OR THE CONFORMITY OF THE PROPERTY TO SPECIFICATION OR PURCHASE ORDER. All such risks shall be borne by the Issuer without in any way excusing it from its obligations under this Finance Contract, and GCC shall not be liable for any damages on account of such risks. All claims or actions on any warranty so assigned shall be made or prosecuted by the Issuer, at its sole expense, upon prior written notice to GCC. GCC or its assigns may, but shall have no obligation whatsoever to, participate in a claim on any warranty. Any recovery under such a warranty shall be made payable jointly to both parties.

10. Evidence of Indebtedness and Security Agreement.

(a) An executed copy of this Finance Contract shall evidence the indebtedness of the Issuer as provided herein and shall constitute a security agreement pursuant to applicable law, with GCC, its successors or assigns as the secured party. The grants, lien, pledge and security interest of GCC, its successors or assigns created herein shall become effective immediately upon and from the Delivery Date, and the same shall be continuously effective for so long as any Finance Contract Payments are outstanding.

(b) A fully executed copy of this Finance Contract and the proceedings authorizing same shall be kept at all times and shall be filed and recorded as a security agreement among the permanent records of the Issuer. Such records shall be open for inspection to any member of the general public and to any individual, firm, corporation, governmental entity or other person proposing to do or doing business with, or having or asserting claims against the Issuer, at all times during regular business hours.

(c) If, in the opinion of counsel to the Issuer or to GCC, its successors or assigns, applicable law ever requires filings additional to the filing pursuant to subsection (b) of this section in order to preserve and protect the priority of the grants, assignments, lien, pledge and security interest of GCC, its successors or assigns created herein as to all Payments, then the Issuer shall diligently and regularly make such filings to the extent required by law to accomplish such result.

11. Default and Remedies.

(a) Each of the following occurrences or events for the purpose of this Finance Contract is hereby declared to be an Event of Default:

(1) the failure to make payment of the Payment when the same becomes due and payable; or

(2) default in the performance or observance of any other covenant agreement or obligation of the Issuer, which default materially, adversely affects the rights of GCC or its successors or assigns, including, but not limited to, its prospect or ability to be repaid in accordance with this Finance Contract, and the continuation thereof for a period of 20 days after notice of such default is given by GCC or any successors or assigns of GCC to the Issuer.

(b) Remedies for Default.

(1) Upon the happening of any Event of Default, then and in every case GCC or its successors or assigns, or an authorized representative thereof, including, but not limited to, an attorney or trustee therefore, may proceed against the Issuer for the purpose of protecting and enforcing the rights of GCC or its successors or assigns under this Finance Contract, by mandamus or other suit, action or special proceeding in equity or at law, in any court of competent jurisdiction, for any relief permitted by law, including the specific performance of any covenant or agreement contained herein, or thereby to enjoin any act or thing that may be unlawful or in violation of any right of GCC or its successors or assigns or any combination of such remedies; provided that none of such parties shall have any right to declare the balance of the Finance Contract Payments to be immediately due and payable as a remedy because of the occurrence of an Event of Default.

(2) The exercise of any remedy herein conferred or reserved shall not be deemed a waiver of any other available remedy, and no delay or omission to exercise any right or power occurring upon any Event of Default shall impair any such right or power or be construed to be a waiver thereof and all such rights and powers may be exercised as often as may be deemed expedient.

(c) Remedies Not Exclusive.

(1) No remedy herein conferred or reserved is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given hereunder or under this Finance Contract or now or hereafter existing at law or in equity; provided, however, that notwithstanding any other provision of this Finance Contract, the right to accelerate the debt evidenced by this Finance Contract shall not be available as a remedy because of the occurrence of an Event of Default.

12. Assignment. Without GCC's prior written consent, the Issuer will not either **(a)** assign, transfer, pledge, hypothecate, grant any security interest in or otherwise dispose of this Finance Contract or the Property or any interest in this Finance Contract or the Property; or **(b)** sublet or lend the Property or permit it to be used by anyone other than the Issuer or the Issuer's employees and other authorized users. GCC may assign its rights, title and interest in and to this Finance Contract, and any other documents executed with respect to this Finance Contract and/or grant or assign a security interest in this Finance Contract, in whole or in part. Such successors and assigns of GCC shall have the right to further grant or assign a security interest in this Finance Contract, as well as the rights to Payments hereunder, in whole or in part, to any third party. No assignment or reassignment of GCC's rights, title or interest in this Finance Contract shall be effective with regard to the Issuer unless and until the Issuer shall have received a copy of the document by which the assignment or reassignment is made, disclosing the name and address of such assignee. The Issuer shall maintain written records of any assignments of the Finance Contract.

13. Personal Property. The Property is and shall at all times be and remain personal property, and will not be considered a fixture to any real property.

14. GCC's Right to Perform for The Issuer. If the Issuer fails to make any payment or perform or comply with any of its covenants or obligations hereunder, GCC or GCC's successors or assigns may, but shall not be required to, make such payment or perform or comply with such covenants and obligations on behalf of the Issuer, and the amount of any such payment and the expenses (including but not limited to reasonable attorneys' fees) incurred by GCC or GCC's successors or assigns in performing or complying with such covenants and obligations, as the case may be, together with interest thereon at the highest lawful rate under the State of Texas law, shall be payable by the Issuer upon demand.

15. Interest on Default. If the Issuer fails to pay any Payment specified herein within twenty (20) days after the due date thereof, the Issuer shall pay to GCC or any successor or assigns of GCC, interest on such delinquent payment at the highest rate allowed by Texas law.

16. Notices. Any notices to be given or to be served upon any party hereto in connection with this Finance Contract must be in writing and may be given by certified or registered mail, and shall be deemed to have been given and received forty-eight (48) hours after mailing. Such notice shall be given to the parties at their respective addresses designated on the signature page of this Finance Contract or at such other address as either party may hereafter designate.

17. Prepayment.

(a) The Issuer shall have the right, at its option, to prepay the Finance Contract in whole, on any payment date, in accordance with the Early Redemption Value stated on Exhibit B of the Contract. Any additional principal payments will be applied to reduce the early redemption values as shown in Exhibit B to this Finance Contract.

(b) As condition precedent to the Issuer's right to make, and GCC or any successor or assigns of GCC's obligation to accept, any such prepayment, GCC or any successor or assigns of GCC shall have actually received notice at least thirty (30) days in advance of the Issuer's intent to exercise its option to prepay.

18. Continuing Disclosure. Specifically and without limitation, the Issuer agrees to provide audited financial statements, prepared by a certified public accountant not later than six (6) months after and as of the end of each fiscal year. Periodic financial statements shall include a combined balance sheet as of the end of each such period, and a combined statement of revenues, expenditures and changes in fund balances, from the beginning of the then fiscal year to the end of such period. These reports must be certified as correct by one of the Issuer's authorized agents. If the Issuer has subsidiaries, the financial statements required will be provided on a consolidated and consolidation basis.

19. Tax Exemption.

(a) The Issuer certifies that it does not reasonably anticipate more than \$10,000,000 of "tax-exempt obligations", including this Finance Contract will be issued by it and any subordinate entities during the 2014 calendar year. Further, the Issuer designates this Finance Contract as "qualified tax exempt obligations" under Section 265 (b) 3 of the Internal Revenue Code of 1986, as amended (the "Code") eligible for the exception contained in Section 265 (b) 3 (D) of the Code allowing for an exception to the general rule of the Code which provides for a total disallowance of a deduction for interest expense allocable to the carrying of tax exempt obligations.

(b) The Issuer hereby represents and covenants that the proceeds of this Finance Contract are needed at this time to provide funds for the Issuer's purchase of the property for which this Finance Contract was executed and delivered, as specified in this Finance Contract; that (i) final disbursement of the proceeds of this Finance Contract will occur within three years from the Delivery Date, (ii) substantial binding obligations to expend at least five (5) percent of the net proceeds will be incurred within six months after the Delivery Date and (iii) the acquisition of such property will proceed with due diligence to completion; and that, except for the Escrow Agreement, if applicable, and the Payment Fund, no other funds or accounts have been or will be established or pledged to the payment of this Finance Contract.

(c) The Issuer will not directly or indirectly take any action or omit to take any action, which action or omission would cause the Finance Contract to constitute a "private activity bond" within the meaning of Section 141(a) of the Code.

(d) The Issuer will not take any action or fail to take any action with respect to the investment of the proceeds of this Finance Contract or any other funds of the Issuer, including amounts received from the investment of any of the foregoing, that would cause this Finance Contract to be an "arbitrage bond" within the meaning of such section 148 of the Code.

(e) There are no other obligations of the Issuer which are sold at substantially the same time as the Finance Contract, sold pursuant to the same plan of financing with the Finance Contract and are reasonably expected to be paid from substantially the same source of funds as the Finance Contract.

(f) The Issuer will not take any action, or as the case may be, knowingly omit to take any action within its control that, if taken or omitted, as the case may be, would cause the Finance Contract to be treated as "federally guaranteed" obligations for purposes of Section 149(b) of the Code.

(g) The Issuer will take all necessary steps to comply with the requirement that certain amounts earned by the Issuer on the investment of the "gross proceeds" of the Finance Contract (within the meaning of Section 148(f)(6)(B) of the Code), if any, be rebated to the federal government. Specifically, the Issuer will (i) maintain records regarding the investment of the gross proceeds of the Finance Contract as may be required to calculate and substantiate the amount earned on the investment of the gross proceeds of the Finance Contract and retain such records for at least six years after the day on which the last outstanding Finance Contract is discharged, (ii) account for all gross proceeds under a reasonable, consistently applied method of accounting, including any specified method of accounting required by applicable regulations to be used for all or a portion of the gross proceeds, (iii) calculate, at such times as are required by applicable regulations, the amount earned from the investment of the gross proceeds of the Finance Contract and (iv) timely pay all amounts required to be rebated to the federal government. In addition, the Issuer will correct any errors within a reasonable amount of time thereafter, including payment to the federal government of any delinquent amounts owed to it, including interest thereon and penalty, if any, as may be necessary or appropriate to assure that interest on the Finance Contract is not includable in the gross income for federal income tax purposes.

(h) The Issuer will timely file with the Secretary of the Treasury of the United States the information required by Section 149(e) of the Code with respect to the Finance Contract on such form and in such place as the Secretary may prescribe. Notwithstanding any other provision of this Finance Contract, the Issuer's obligation under the covenants and provisions of this Section 19 shall survive the defeasance and discharge of this Finance Contract.

20. Miscellaneous.

(a) Time is of the essence. No covenant or obligations hereunder to be performed by the Issuer are waived, except by the written consent of GCC or its successors or assigns. GCC's or its successors or assigns' rights hereunder are cumulative and not alternative.

(b) This Finance Contract shall be construed in accordance with, and governed by the state of Texas laws.

(c) This Finance Contract constitutes the entire agreement between the parties and shall not be modified, waived, discharged, terminated, amended, altered or changed in any respect except by a written document signed by both GCC and the Issuer.

(d) Any term or provision of this Finance Contract found to be prohibited by law or unenforceable shall not affect the legality the remainder of this Finance Contract.

(e) Use of the neuter gender herein is for purposes of convenience only and shall be deemed to mean and include the masculine or feminine gender whenever appropriate.

(f) The captions set forth herein are for convenience of reference only, and shall not define or limit any of the terms or provisions hereof.

(g) Issuer agrees to equitably adjust the payments payable under this Finance Contract if there is a determination by the IRS that the interest payable pursuant to this Finance Contract (as incorporated within the schedule of payments) is not excludable from income in accordance with the Internal Revenue Code of 1986, as amended, such as to make GCC and its assigns whole.

(h) Except as otherwise provided, this Finance Contract shall be binding upon and inure to the benefit of the Parties hereto and their respective heirs, executors, administrators, legal representatives, successors and assigns, where permitted by this Finance Contract.

IN WITNESS WHEREOF, the parties have executed this Finance Contract as of the 14 day of April in the year 2014.

Government Capital Corporation

Authorized Signature
345 Miron Dr.
Southlake, TX 76092

Witness Signature _____
Print Name _____
Print Title _____

The Issuer: Navarro County

H. M. Davenport, Jr.

H. M. Davenport, Jr., County Judge
312 W Second Avenue
Corsicana, TX 75110

Witness Signature Sherry Dowd
Print Name Sherry Dowd
Print Title County Clerk



EXHIBIT A

Public Property Finance Act Contract **No.6604** (THE "FINANCE CONTRACT")
By And Between
Government Capital Corporation and **the Issuer**, Navarro County
Dated as of March 10, 2014

QTY ITEM DESCRIPTION

Personal Property Property Cost: \$16,253.00 Payback Period: Three (3) Annual Payments

AUDIO/VIDEO RECORDING EQUIPMENT

1	Nexlog 740	Nexlog 740 base system: 3U rack-mount chassis, Two Mirrored 1TB hard drives, RAID-1 with 167,000 hours of storage Intel Core2 Quad CPU, Dual NIC, Dual hot-swap 120/240 VAC power supplies, one DVD-RAM drive, embedded Linux, Nexlog base software, Web-based configuration manager, Battery Back up. Blank front panel.
1	271052	Internal IP Recorder w/ 8 G.711 Channel Licenses.
2	271035	Add 8 VoIP Licenses.
1	271028	MDC 1200 Radio ID License (Per Analog Card)

PROPERTY LOCATION:
Navarro County
312 W. Second Avenue
Corsicana, TX 75110

EXHIBIT B

>> SCHEDULE OF PAYMENTS & EARLY REDEMPTION VALUE <<

Public Property Finance Act Contract **No.6604** ("THE FINANCE CONTRACT")

BY AND BETWEEN

Government Capital Corporation and **the Issuer**, Navarro County

Schedule dated as of April 15, 2014

PMT NO.	PMT DATE MO. DAY YR	TOTAL PAYMENT	INTEREST PAID	PRINCIPAL PAID	EARLY REDEMPTION VALUE after pmt on this line
1	4/15/2015	\$6,159.03	\$751.19	\$5,407.84	N/A
2	4/15/2016	\$6,159.03	\$511.57	\$5,647.46	\$5,968.05
3	4/15/2017	\$6,159.03	\$261.33	\$5,897.70	\$0.00
Grand Totals		\$18,477.09	\$1,524.09	\$16,953.00	

Interest Rate: 4.431%

INCUMBENCY CERTIFICATE

Public Property Finance Act Contract **No.6604** (THE "FINANCE CONTRACT")

By And Between

Government Capital Corporation and **the Issuer**, Navarro County

Dated as of March 10, 2014

I, Sherry Dowd, do hereby certify that I am the duly elected or appointed and acting County Clerk, of Navarro County, Issuer, a political subdivision or agency of the State of Texas, duly organized and existing under the laws of the State of Texas, that I have custody of the records of such entity, and that, as of the date hereof, the individual(s) named below are the duly elected or appointed officer(s) of such entity holding the office(s) set forth opposite their respective name(s). I further certify that (i) the signature(s) set opposite their respective name(s) and title(s) are their true and authentic signature(s), and (ii) such officers have the authority on behalf of such entity to enter into that certain Public Property Finance Act Contract No.6604, between Navarro County (the "Issuer") and Government Capital Corporation ("GCC").

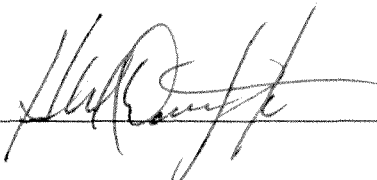
Name

Title

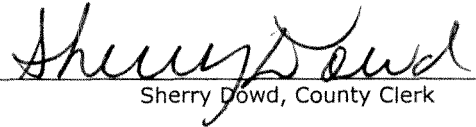
Signature

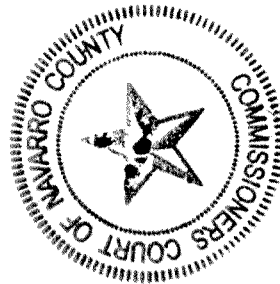
H. M. Davenport, Jr.

County Judge



IN WITNESS WHEREOF, I have duly executed this certificate hereto this 14 day of April, 2014.

By: 
_____ Sherry Dowd, County Clerk



*****PLEASE NOTE*****

PLEASE HAVE YOUR ATTORNEY
REVIEW THESE DOCUMENTS AND
RETYPE THE ENCLOSED LETTER ON
LETTERHEAD PAPER.

PLEASE SEND ORIGINAL, SIGNED ATTORNEY'S OPINION
BACK TO:

GOVERNMENT CAPITAL CORPORATION
ATTENTION: Documentation Department
345 Miron Drive
Southlake, TX 76092

Toll Free 800-883-1199
Phone 817-421-5400
Fax 817-251-3208

[to be retyped on letterhead of the Issuer counsel]

Government Capital Corporation
345 Miron Dr
Southlake, TX 76092

RE: Public Property Finance Act Contract No.6604

I have examined the Public Property Finance Act Contract No.6604 (the "Finance Contract") between the Navarro County (the "Issuer") and Government Capital Corporation ("GCC"). The Finance Contract provides financing for the purchase by the Navarro County of certain Property as identified in the Finance Contract and provides that the Issuer shall finance the Property by making Payments as specified in the Public Property Finance Act Contract No.6604.

I have also examined other certificates and documents as I have deemed necessary and appropriate under the circumstances.

Based upon the foregoing examination, I am of the opinion that:

1. The Issuer is a political subdivision or agency of the State of Texas with the requisite power and authority to incur obligations, the interest on which is exempt from taxation by virtue of Section 103(a) of the Internal Revenue Code of 1986, as amended;
2. The execution, delivery and performance by the Issuer of the Finance Contract have been duly authorized by all necessary action on the part of the Issuer; and
3. The Finance Contract constitutes a legal, valid and binding obligation of the Issuer enforceable in accordance with its terms.

The opinion expressed above is solely for the benefit of the Issuer, GCC and/or its subsequent successors or assigns.

Sincerely,

Attorney at Law

CERTIFICATE OF ACCEPTANCE

Public Property Finance Act Contract **No.6604** (THE "FINANCE CONTRACT")

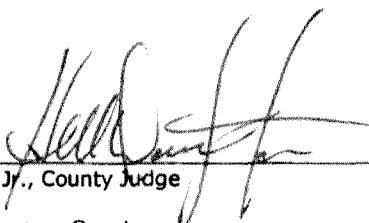
By And Between

Government Capital Corporation and **the Issuer**, Navarro County

Dated as of March 10, 2014

1. **ACCEPTANCE:** In accordance with the Finance Contract, the Issuer hereby certifies that all of the Property described herein (i) has been received by the Issuer, (ii) has been thoroughly examined and inspected to the complete satisfaction of the Issuer, (iii) had been found by the Issuer to be in good operating order, repair and condition, (iv) has been found to be of the size, design, quality, type and manufacture specified by the Issuer, (v) has been found to be and is wholly suitable for the Issuer's purposes, and (vi) is hereby unconditionally accepted by the Issuer, in the condition received, for all purposes of this Finance Contract, (vii) the Issuer hereby authorizes GCC to Pay supplying vendor(s) all available sums due and payable in conjunction with the property described in Exhibit A.

By The Issuer:



H. M. Davenport, Jr., County Judge

For The Issuer: Navarro County

ACCEPTED on this the 14 day of April, 2014.

(*) SIGNATURE REQUIRED ONLY WHEN AN "ESCROW AGREEMENT" IS NOT USED

2. **PROPERTY:**

Audio/Video Recording Equipment, see Exhibit A herein.

3. **USE:** The primary use of the Property is as follows: **(PLEASE FILL OUT PRIMARY USE BELOW)**

x Recording radio + phone traffic at Navarro County Sheriff's Office

4. **INVOICING:** Invoices shall be sent to the following address, including to whose attention invoices should be directed

Navarro County
Attn.: ~~Sherry Dowd, County Clerk~~ County Auditor
300 W Third Avenue, Ste. 10
Corsicana, TX 75110

RESOLUTION # _____

**A RESOLUTION REGARDING A CONTRACT FOR THE PURPOSE OF FINANCING
"AUDIO/VIDEO RECORDING EQUIPMENT".**

WHEREAS, Navarro County (the "Issuer") desires to enter into that certain Finance Contract No.6604, by and between the Issuer and Government Capital Corporation ("GCC") for the purpose of financing "Audio/Video Recording Equipment". The Issuer desires to designate this Finance Contract as a "qualified tax exempt obligation" of the Issuer for the purposes of Section 265 (b) (3) of the Internal Revenue Code of 1986, as amended.

NOW THEREFORE, BE IT RESOLVED BY NAVARRO COUNTY:

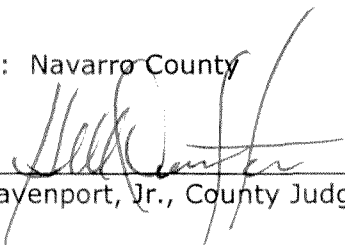
Section 1. That the Issuer will enter into a Finance Contract with GCC for the purpose of financing "Audio/Video Recording Equipment".

Section 2. That the Finance Contract dated as of March 10, 2014, by and between the Navarro County and GCC is designated by the Issuer as a "qualified tax exempt obligation" for the purposes of Section 265 (b) (3) of the Internal Revenue Code of 1986, as amended.

Section 3. That the Issuer will designate H. M. Davenport, Jr., County Judge, as an authorized signer of the Finance Contract dated as of March 10, 2014, by and between the Navarro County and GCC.

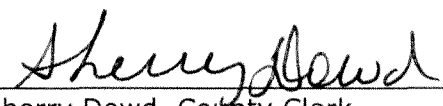
PASSED AND APPROVED by the Board of the Navarro County in a meeting held on the 14 day of April, 2014.

Issuer: Navarro County



H.M. Davenport, Jr., County Judge

Witness Signature



Sherry Dowd, County Clerk



ESCROW AGREEMENT

Public Property Finance Act Contract No.6604 (THE "FINANCE CONTRACT")

BY AND BETWEEN

Government Capital Corporation and **the Issuer**, Navarro County
Federal Tax ID#75-6001092 Dated as of March 10, 2014

THIS ESCROW AGREEMENT (the "Agreement") is made and entered into as of March 10, 2014 ("Agreement Date") by and among Government Capital Corporation ("GCC"), Navarro County (the "Issuer") and _____ ("Agent").

WITNESSETH:

WHEREAS, Government Capital Corporation and the Issuer have entered into a certain Public Property Finance Act Contract dated as of March 10, 2014 (the "Finance Contract") pursuant to which the property more particularly described therein (the "Property") will be purchased by the Issuer under the terms stated in the Finance Contract;

WHEREAS, Government Capital Corporation and the Issuer desire to make funding arrangements for the acquisition of the Property, and Agent agrees to serve as escrow agent for such funding and acquisition;

NOW THEREFORE, in consideration of the mutual agreements and covenant herein contained and for other valuable consideration, the parties hereby agree as follows:

1. Agent shall undertake the duties and obligations of escrow agent as set forth in this Escrow Agreement. Agent shall not be deemed to be a party to the Finance Contract.
2. Government Capital Corporation has delivered to Agent the sum of \$16,253.00 ("Escrow Amount") for deposit by Agent in the Navarro County Escrow Account (the "Fund"). The Fund will be administered by Agent pursuant to the terms of this Escrow Agreement.
3. Deposits in the Fund shall be used to pay for the acquisition of the Property. The Property may be acquired as individual items or as groups of items. Agent shall make disbursements from the Fund in payment for the acquisition of each item or group of items of the Property promptly upon receipt of a properly executed Escrow Disbursement Request Form, in the form attached hereto as "Schedule 1", for that portion of the acquisition of the Property for which payment is requested. Upon full acquisition of an item or group of items of the Property, any remaining cost of such item or group of items shall be disbursed promptly by the Agent upon receipt of a properly executed Acceptance Certificate and a corresponding Escrow Disbursement Request Form, in the form attached hereto as "Schedule 1", for that portion of the Property for which payment is requested. Payment by Agent shall be to the payee shown on the Escrow Disbursement Request Form.
4. Agent will invest the Fund, as specified by GCC, in general obligations of the United States or in obligations fully insured by the United States or in certificates of deposit of a bank which is either fully insured by an agency of the federal government or fully collateralized by such federal or federally guaranteed obligations, or in no-load money market mutual funds registered with and regulated by the Securities and Exchange Commission that includes in their investment objectives the maintenance of a stable net asset value of \$1 for each share, or Money Market Mutual Funds registered under the Investment Act of 1940. Agent will retain in the Fund all earnings from investment of the Fund until termination of the Fund pursuant to Section 5 hereof.
5. Upon execution of one or more Acceptance Certificates by the Issuer and payment of acquisition costs by Agent for all the Property, this Escrow Agreement and the Funds shall terminate, and Agent shall transfer to Government Capital Corporation all remaining sums in the Fund. If not terminated earlier, this Escrow Agreement and the Fund shall terminate on December 30, 2014 ("Termination Date"). In this latter event, interest accrued pursuant to investment of the Fund under the terms of Section 4 hereof and all remaining principal in the Fund shall be transferred by Agent to Government Capital Corporation; "Exhibit A", attached to the Finance Contract shall thereupon be revised to delete any non-acquired portions of the Property and to substitute an amended amortization payment schedule to reflect the reduced acquisition costs.
6. Government Capital Corporation and the Issuer may by written agreement between themselves remove the Agent, at any time and for any reason, and appoint a successor escrow agent. Such removal shall not be effective until thirty (30) days after written notice thereof if provided to Agent.
7. Agent may at any time and for any reason resign as escrow agent by giving written notice to Government Capital Corporation and the Issuer of its intention to resign and of the proposed date of resignation, which date shall be not less than thirty (30) days after giving the Issuer and Government Capital Corporation written notice of intent to resign, nor less than thirty (30) days after being appointed by Government Capital Corporation and the Issuer.
8. Agent shall have no obligation under the terms of this Escrow Agreement to make any disbursement except from the Fund. Agent makes no warranties or representations as to the Property or as to performance of the obligations of Government Capital Corporation or the Issuer under this Escrow Agreement.
9. Agent shall be entitled to rely in good faith upon any documents signed by a party hereto and shall have no duty to investigate the veracity of such documents. Agent (i) may assume that any person giving notice pursuant to the terms hereof is authorized to do so and (ii) shall not be liable for good faith reliance thereon.
10. To the limited extent required to perfect the security interest granted by the Issuer to Government Capital Corporation in the cash and negotiable instrument from time to time comprising the Fund, Government Capital Corporation hereby appoints the Agent as its security agent, and the Agent hereby accepts the appointment as security agent, and agrees to hold physical possession of such cash negotiable instruments on behalf of Government Capital Corporation.
11. This Escrow Agreement may be amended by written agreement executed by all the parties.
12. This Escrow Agreement may be executed in several counterparts, each of which shall be an original.

IN WITNESS WHEREOF, the parties have executed this Escrow Agreement as of the date first written above.

Government Capital Corporation:

BY: _____
Authorized Signer

The Issuer: Navarro County

BY:  _____
H. M. Davenport, Jr., County Judge

Agent: _____

BY: _____
Agent Rep, Agent Rep Title

ESCROW AGREEMENT

Public Property Finance Act Contract No. 6604 (THE "FINANCE CONTRACT")

BY AND BETWEEN

Government Capital Corporation and **the Issuer**, Navarro County
Federal Tax ID#75-6001092 Dated as of March 10, 2014

THIS ESCROW AGREEMENT (the "Agreement") is made and entered into as of March 10, 2014 ("Agreement Date") by and among Government Capital Corporation ("GCC"), Navarro County (the "Issuer") and _____ ("Agent").

WITNESSETH:

WHEREAS, Government Capital Corporation and the Issuer have entered into a certain Public Property Finance Act Contract dated as of March 10, 2014 (the "Finance Contract") pursuant to which the property more particularly described therein (the "Property") will be purchased by the Issuer under the terms stated in the Finance Contract;

WHEREAS, Government Capital Corporation and the Issuer desire to make funding arrangements for the acquisition of the Property, and Agent agrees to serve as escrow agent for such funding and acquisition;

NOW THEREFORE, in consideration of the mutual agreements and covenant herein contained and for other valuable consideration, the parties hereby agree as follows:

1. Agent shall undertake the duties and obligations of escrow agent as set forth in this Escrow Agreement. Agent shall not be deemed to be a party to the Finance Contract.
2. Government Capital Corporation has delivered to Agent the sum of \$16,253.00 ("Escrow Amount") for deposit by Agent in the Navarro County Escrow Account (the "Fund"). The Fund will be administered by Agent pursuant to the terms of this Escrow Agreement.
3. Deposits in the Fund shall be used to pay for the acquisition of the Property. The Property may be acquired as individual items or as groups of items. Agent shall make disbursements from the Fund in payment for the acquisition of each item or group of items of the Property promptly upon receipt of a properly executed Escrow Disbursement Request Form, in the form attached hereto as "Schedule 1", for that portion of the acquisition of the Property for which payment is requested. Upon full acquisition of an item or group of items of the Property, any remaining cost of such item or group of items shall be disbursed promptly by the Agent upon receipt of a properly executed Acceptance Certificate and a corresponding Escrow Disbursement Request Form, in the form attached hereto as "Schedule 1", for that portion of the Property for which payment is requested. Payment by Agent shall be to the payee shown on the Escrow Disbursement Request Form.
4. Agent will invest the Fund, as specified by GCC, in general obligations of the United States or in obligations fully insured by the United States or in certificates of deposit of a bank which is either fully insured by an agency of the federal government or fully collateralized by such federal or federally guaranteed obligations, or in no-load money market mutual funds registered with and regulated by the Securities and Exchange Commission that includes in their investment objectives the maintenance of a stable net asset value of \$1 for each share, or Money Market Mutual Funds registered under the Investment Act of 1940. Agent will retain in the Fund all earnings from investment of the Fund until termination of the Fund pursuant to Section 5 hereof.
5. Upon execution of one or more Acceptance Certificates by the Issuer and payment of acquisition costs by Agent for all the Property, this Escrow Agreement and the Funds shall terminate, and Agent shall transfer to Government Capital Corporation all remaining sums in the Fund. If not terminated earlier, this Escrow Agreement and the Fund shall terminate on December 30, 2014 ("Termination Date"). In this latter event, interest accrued pursuant to investment of the Fund under the terms of Section 4 hereof and all remaining principal in the Fund shall be transferred by Agent to Government Capital Corporation; "Exhibit A", attached to the Finance Contract shall thereupon be revised to delete any non-acquired portions of the Property and to substitute an amended amortization payment schedule to reflect the reduced acquisition costs.
6. Government Capital Corporation and the Issuer may by written agreement between themselves remove the Agent, at any time and for any reason, and appoint a successor escrow agent. Such removal shall not be effective until thirty (30) days after written notice thereof if provided to Agent.
7. Agent may at any time and for any reason resign as escrow agent by giving written notice to Government Capital Corporation and the Issuer of its intention to resign and of the proposed date of resignation, which date shall be not less than thirty (30) days after giving the Issuer and Government Capital Corporation written notice of intent to resign, nor less than thirty (30) days after being appointed by Government Capital Corporation and the Issuer.
8. Agent shall have no obligation under the terms of this Escrow Agreement to make any disbursement except from the Fund. Agent makes no warranties or representations as to the Property or as to performance of the obligations of Government Capital Corporation or the Issuer under this Escrow Agreement.
9. Agent shall be entitled to rely in good faith upon any documents signed by a party hereto and shall have no duty to investigate the veracity of such documents. Agent (i) may assume that any person giving notice pursuant to the terms hereof is authorized to do so and (ii) shall not be liable for good faith reliance thereon.
10. To the limited extent required to perfect the security interest granted by the Issuer to Government Capital Corporation in the cash and negotiable instrument from time to time comprising the Fund, Government Capital Corporation hereby appoints the Agent as its security agent, and the Agent hereby accepts the appointment as security agent, and agrees to hold physical possession of such cash negotiable instruments on behalf of Government Capital Corporation.
11. This Escrow Agreement may be amended by written agreement executed by all the parties.
12. This Escrow Agreement may be executed in several counterparts, each of which shall be an original.

IN WITNESS WHEREOF, the parties have executed this Escrow Agreement as of the date first written above.

Government Capital Corporation:

BY: _____
Authorized Signer

The Issuer: Navarro County

BY: _____
H. M. Davenport, Jr., County Judge

Agent: _____

BY: _____
Agent Rep, Agent Rep Title

ESCROW AGREEMENT

Public Property Finance Act Contract **No.6604** (THE "FINANCE CONTRACT")

BY AND BETWEEN

Government Capital Corporation and **the Issuer**, Navarro County

Federal Tax ID#75-6001092 Dated as of March 10, 2014

THIS ESCROW AGREEMENT (the "Agreement") is made and entered into as of March 10, 2014 ("Agreement Date") by and among Government Capital Corporation ("GCC"), Navarro County (the "Issuer") and _____ ("Agent").

WITNESSETH:

WHEREAS, Government Capital Corporation and the Issuer have entered into a certain Public Property Finance Act Contract dated as of March 10, 2014 (the "Finance Contract") pursuant to which the property more particularly described therein (the "Property") will be purchased by the Issuer under the terms stated in the Finance Contract;

WHEREAS, Government Capital Corporation and the Issuer desire to make funding arrangements for the acquisition of the Property, and Agent agrees to serve as escrow agent for such funding and acquisition;

NOW THEREFORE, in consideration of the mutual agreements and covenant herein contained and for other valuable consideration, the parties hereby agree as follows:

1. Agent shall undertake the duties and obligations of escrow agent as set forth in this Escrow Agreement. Agent shall not be deemed to be a party to the Finance Contract.
2. Government Capital Corporation has delivered to Agent the sum of \$16,253.00 ("Escrow Amount") for deposit by Agent in the Navarro County Escrow Account (the "Fund"). The Fund will be administered by Agent pursuant to the terms of this Escrow Agreement.
3. Deposits in the Fund shall be used to pay for the acquisition of the Property. The Property may be acquired as individual items or as groups of items. Agent shall make disbursements from the Fund in payment for the acquisition of each item or group of items of the Property promptly upon receipt of a properly executed Escrow Disbursement Request Form, in the form attached hereto as "Schedule 1", for that portion of the acquisition of the Property for which payment is requested. Upon full acquisition of an item or group of items of the Property, any remaining cost of such item or group of items shall be disbursed promptly by the Agent upon receipt of a properly executed Acceptance Certificate and a corresponding Escrow Disbursement Request Form, in the form attached hereto as "Schedule 1", for that portion of the Property for which payment is requested. Payment by Agent shall be to the payee shown on the Escrow Disbursement Request Form.
4. Agent will invest the Fund, as specified by GCC, in general obligations of the United States or in obligations fully insured by the United States or in certificates of deposit of a bank which is either fully insured by an agency of the federal government or fully collateralized by such federal or federally guaranteed obligations, or in no-load money market mutual funds registered with and regulated by the Securities and Exchange Commission that includes in their investment objectives the maintenance of a stable net asset value of \$1 for each share, or Money Market Mutual Funds registered under the Investment Act of 1940. Agent will retain in the Fund all earnings from investment of the Fund until termination of the Fund pursuant to Section 5 hereof.
5. Upon execution of one or more Acceptance Certificates by the Issuer and payment of acquisition costs by Agent for all the Property, this Escrow Agreement and the Funds shall terminate, and Agent shall transfer to Government Capital Corporation all remaining sums in the Fund. If not terminated earlier, this Escrow Agreement and the Fund shall terminate on December 30, 2014 ("Termination Date"). In this latter event, interest accrued pursuant to investment of the Fund under the terms of Section 4 hereof and all remaining principal in the Fund shall be transferred by Agent to Government Capital Corporation; "Exhibit A", attached to the Finance Contract shall thereupon be revised to delete any non-acquired portions of the Property and to substitute an amended amortization payment schedule to reflect the reduced acquisition costs.
6. Government Capital Corporation and the Issuer may by written agreement between themselves remove the Agent, at any time and for any reason, and appoint a successor escrow agent. Such removal shall not be effective until thirty (30) days after written notice thereof if provided to Agent.
7. Agent may at any time and for any reason resign as escrow agent by giving written notice to Government Capital Corporation and the Issuer of its intention to resign and of the proposed date of resignation, which date shall be not less than thirty (30) days after giving the Issuer and Government Capital Corporation written notice of intent to resign, nor less than thirty (30) days after being appointed by Government Capital Corporation and the Issuer.
8. Agent shall have no obligation under the terms of this Escrow Agreement to make any disbursement except from the Fund. Agent makes no warranties or representations as to the Property or as to performance of the obligations of Government Capital Corporation or the Issuer under this Escrow Agreement.
9. Agent shall be entitled to rely in good faith upon any documents signed by a party hereto and shall have no duty to investigate the veracity of such documents. Agent (i) may assume that any person giving notice pursuant to the terms hereof is authorized to do so and (ii) shall not be liable for good faith reliance thereon.
10. To the limited extent required to perfect the security interest granted by the Issuer to Government Capital Corporation in the cash and negotiable instrument from time to time comprising the Fund, Government Capital Corporation hereby appoints the Agent as its security agent, and the Agent hereby accepts the appointment as security agent, and agrees to hold physical possession of such cash negotiable instruments on behalf of Government Capital Corporation.
11. This Escrow Agreement may be amended by written agreement executed by all the parties.
12. This Escrow Agreement may be executed in several counterparts, each of which shall be an original.

IN WITNESS WHEREOF, the parties have executed this Escrow Agreement as of the date first written above.

Government Capital Corporation:

BY: _____
Authorized Signer

The Issuer: Navarro County

BY: _____
H. M. Davenport, Jr., County Judge

Agent: _____

BY: _____
Agent Rep, Agent Rep Title

******PLEASE KEEP THE ATTACHED FORM******

(Do Not Send It Back with the Financing Documents)

KEEP IT UNTIL
You Are Ready To Pay Your Vendor

To avoid delays in processing the payment to your Vendor, please make sure to:

- 1) Complete the attached **Escrow Disbursement Request Form (EDRF)** for each Vendor.
- 2) Attach a copy of your Vendor's Invoice (please do not send POs or Estimates).
- 3) ***ONLY*** the authorized signer can sign these forms and have them do so in TWO (2) places.
(If the authorized signer is different from the one who signed the Financing Documents, please send a letter informing us about the new authorized person).
- 4) You can fax the **EDRF** to start/begin the payment process (817-251-3208); however, please send the original by regular mail to avoid delays.
- 5) This form (**EDRF**) may be copied for multiple disbursements; but each form sent for request of payment must have two (2) original signatures and be dated.

WHEN YOU ARE READY TO PAY FOR YOUR EQUIPMENT, PLEASE FOLLOW THE ABOVE PROCEDURES, AND SEND FORMS TO:

Government Capital Corporation
Attn.: Angelica Elmor
345 Miron Drive
Southlake, TX 76092
Toll Free 800-883-1199
Phone: 817-421-5400
Fax: 817-251-3208
angelica@govcap.com

562

ESCROW AGREEMENT - SCHEDULE 1

Public Property Finance Act Contract **No.6604** (THE "FINANCE CONTRACT")
By And Between
Government Capital Corporation and **the Issuer**, Navarro County
Dated as of March 10, 2014

ESCROW DISBURSEMENT REQUEST FORM

_____, acting as escrow agent (the "Agent") under the Escrow Agreement dated as of March 10, 2014 (Escrow Date), by and among the Agent, Government Capital Corporation and Navarro County, is hereby requested to pay to the person or corporation designated below as Payee the sum set forth below in payment of the acquisition and installation costs of the property described below. The amount shown below is due and payable under the invoice of Payee with respect to the described property and has not formed the basis for any prior request for payment.

PAYEE: _____

AMOUNT: _____

DESCRIPTION OF PROPERTY: _____

INVOICE # _____ DATED: _____

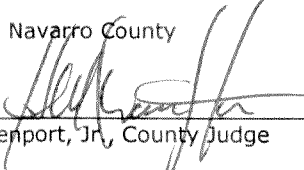
Indicate Method for Payment Disbursement:

_____ Overnight Check *** _____ Regular Mail Check _____ Wire Funds

Mailing Address: _____ Wire Instructions: _____

[***Please note that there might be a fee charged for overnight delivery. This fee will be deducted from the Escrow Balance before disbursement is made.]

By Issuer: Navarro County



H. M. Davenport, Jr., County Judge

By: Government Capital Corporation or its Assigns

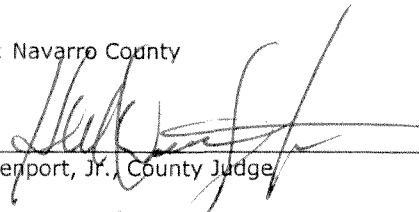
Authorized Signer

ACCEPTANCE CERTIFICATE

Navarro County as purchaser under that certain Finance Contract dated as of March 10, 2014 ("Agreement Date") (the "Finance Contract"), hereby acknowledges receipt in good condition of all the property described on the attached Vendor Invoice(s), hereby accepts such property and hereby certifies that Government Capital Corporation has fully and satisfactorily performed all covenants and conditions to be performed by it under the Finance Contract with regard to such property, and that such property constitutes all or a portion of the Property as that term as defined in the Finance Contract.

Date: April 14, _____, 2014.

By Issuer: Navarro County



H. M. Davenport, Jr., County Judge

For Issuer: Navarro County

**Information Return for Small Tax-Exempt
 Governmental Bond Issues, Leases, and Installment Sales**

OMB No. 1545-0720

▶ Under Internal Revenue Code section 149(e)

Caution: If the issue price of the issue is \$100,000 or more, use Form 8038-G.

Part I Reporting Authority		Check box if Amended Return <input type="checkbox"/>	
1 Issuer's name Navarro County (Contract No.6604)		2 Issuer's employer identification number (EIN) 7 5 6 0 0 1 0 9 2	
3 Number and street (or P.O. box if mail is not delivered to street address) 300 West Third Avenue, Suite 10		Room/suite	
4 City, town, or post office, state, and ZIP code Corlsana, TX 75110		5 Report number (For IRS Use Only) 903-875-3375	
6 Name and title of officer or other employee of issuer or designated contact person whom the IRS may call for more information H. M. Davenport, Jr., County Judge		7 Telephone number of officer or legal representative	

Part II Description of Obligations Check one: a single issue <input checked="" type="checkbox"/> or a consolidated return <input type="checkbox"/>	
8a Issue price of obligation(s) (see instructions)	8a \$16,953 00
b Issue date (single issue) or calendar date (consolidated). Enter date in mm/dd/yyyy format (for example, 01/01/2009) (see instructions) ▶	
9 Amount of the reported obligation(s) on line 8a that is:	
a For leases for vehicles	9a
b For leases for office equipment	9b
c For leases for real property	9c
d For leases for other (see instructions)	9d
e For bank loans for vehicles	9e
f For bank loans for office equipment	9f
g For bank loans for real property	9g
h For bank loans for other (see instructions)	9h
i Used to refund prior issue(s)	9i
j Representing a loan from the proceeds of another tax-exempt obligation (for example, bond bank)	9j
k Other	9k \$16,953 00
10 If the issuer has designated any issue under section 265(b)(3)(B)(i)(III) (small issuer exception), check this box ▶	<input checked="" type="checkbox"/>
11 If the issuer has elected to pay a penalty in lieu of arbitrage rebate, check this box (see instructions) ▶	<input type="checkbox"/>
12 Vendor's or bank's name: Government Capital Corporation	
13 Vendor's or bank's employer identification number: 7 5 2 4 6 2 1 6 0	

Under penalties of perjury, I declare that I have examined this return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete. I further declare that I consent to the IRS's disclosure of the issuer's return information, as necessary to process this return, to the person(s) that I have authorized above.

Signature and Consent	 Signature of issuer's authorized representative	4-14-2014 Date	H. M. Davenport, Jr., County Judge Type or print name and title
	Print/Type preparer's name	Preparer's signature	Date
Paid Preparer Use Only	Firm's name ▶	Firm's EIN ▶	Check <input type="checkbox"/> if self-employed
	Firm's address ▶	Phone no.	PTIN

General Instructions

Section references are to the Internal Revenue Code unless otherwise noted.

What's New

The IRS has created a page on IRS.gov for information about the Form 8038 series and its instructions, at www.irs.gov/form8038. Information about any future developments affecting the Form 8038 series (such as legislation enacted after we release it) will be posted on that page.

Purpose of Form

Form 8038-GC is used by the issuers of tax-exempt governmental obligations to provide the IRS with the information required by section 149(e) and to monitor the requirements of sections 141 through 150.

Who Must File

Issuers of tax-exempt governmental obligations with issue prices of less than \$100,000 must file Form 8038-GC.

Issuers of a tax-exempt governmental obligation with an issue price of \$100,000 or more must file Form 8038-G, information Return for Tax-Exempt Governmental Obligations.

Filing a separate return for a single issue. Issuers have the option to file a separate Form 8038-GC for any tax-exempt governmental obligation with an issue price of less than \$100,000.

An issuer of a tax-exempt bond used to finance construction expenditures must file a separate Form 8038-GC for each issue to give notice to the IRS that an election was made to

pay a penalty in lieu of arbitrage rebate (see the line 11 instructions).

Filing a consolidated return for multiple issues. For all tax-exempt governmental obligations with issue prices of less than \$100,000 that are not reported on a separate Form 8038-GC, an issuer must file a consolidated information return including all such issues issued within the calendar year.

Thus, an issuer may file a separate Form 8038-GC for each of a number of small issues and report the remainder of small issues issued during the calendar year on one consolidated Form 8038-GC. However, if the issue is a construction issue, a separate Form 8038-GC must be filed to give the IRS notice of the election to pay a penalty in lieu of arbitrage rebate.

364

#28

State

Tristate Pipeline Crossing

- Starred
- Important
- Sent Mail
- Drafts (69)**
- 3-20-2012 Flood D...**
- 2012 Elections (8)**
- 2013 County Budget
- 2014 -4-04-2014 E...
- 2014 Budget. (1)**
- 2014 Elections
- 2014 Pot.3 Equipm...
- 2015 County Bud...**
- AASHTO Spec. (33)**
- ANIMALS
- Appraisal Link (1)**

Mark Oliver

12:24 PM (21 hours ago)

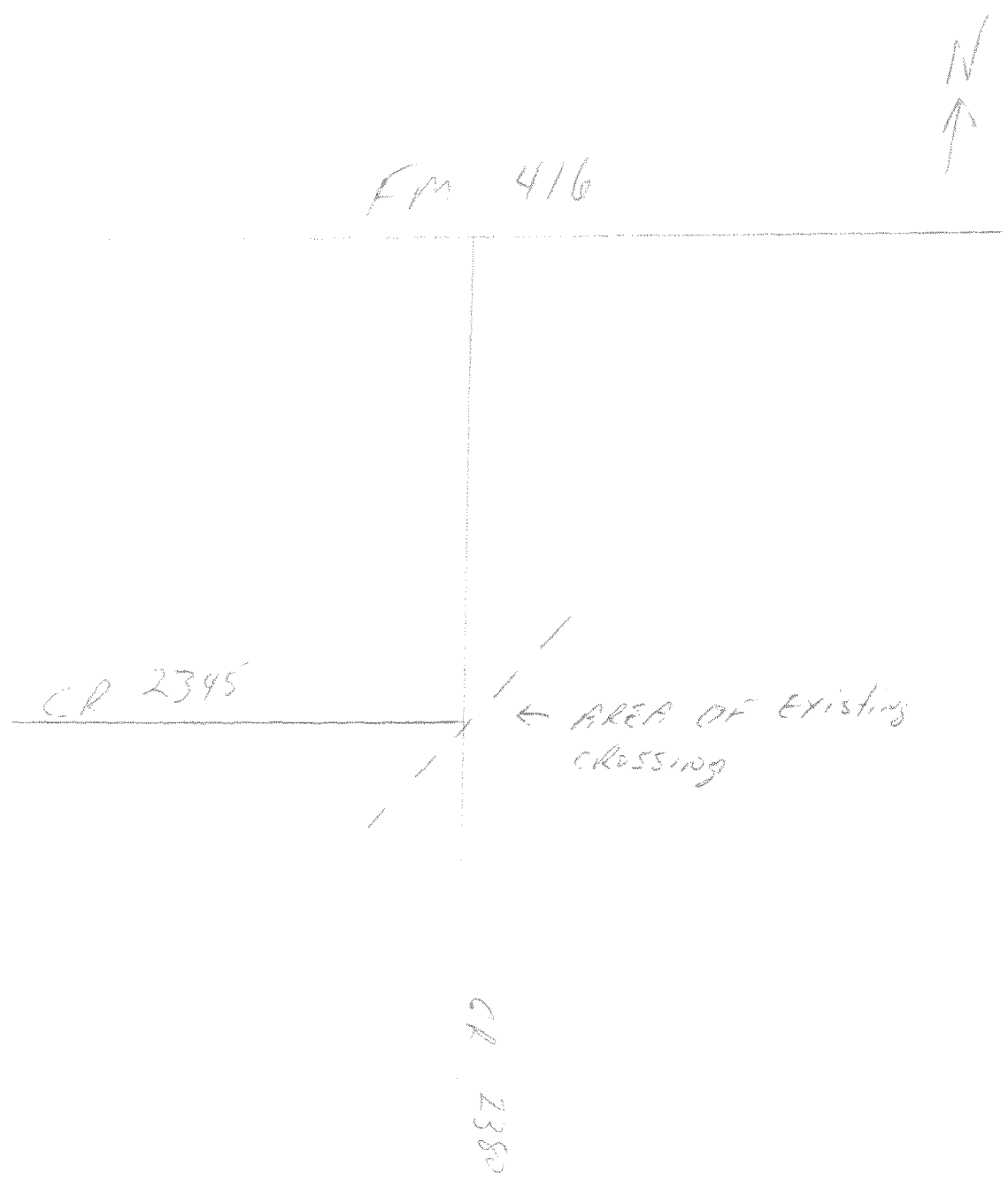
Mr. Warren, per our conversation this morning, Tristate is requesting to replace the piece of 6" pipe that crosses CR 2380 just south of Fm 416. The line has developed a hole in it, in the road ROW. Our desire is to "slick" bore a new piece directly under the existing line. We need to do this work on Monday or Tuesday the 14-15th. I have attached a rough sketch to give you an idea what this looks like.

Please call with any questions

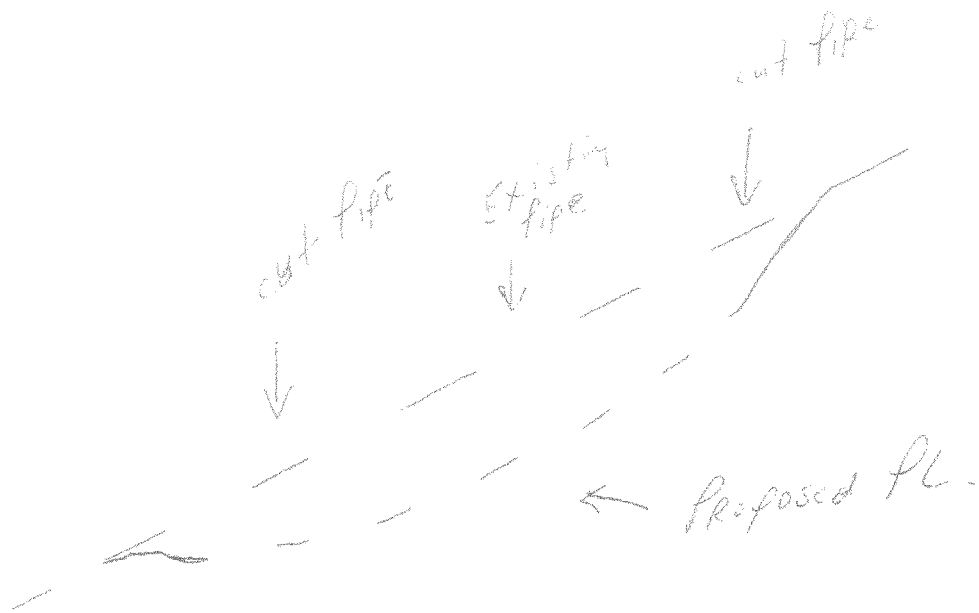
Mark Oliver
 3119a S Eastman Road
 Longview, Texas 75602
Tristate ETX, LLC



Britney Simon
 Frank Hull
 Sherry Dowd



JSM King
4/10/14 Mark JG



Note
* we will leave Existing
Pipe.

TSM King on CR 2380.

4/14/14
M. D. K.