

**NOTICE OF MEETING (•) OF THE
COMMISSIONERS COURT OF JACK COUNTY, TEXAS**

• Assistive Listening Devices Available on Request for Use During Court Session

Notice is hereby given that a Meeting of the above named Commissioners Court will be held on **MONDAY the 30th day of September, 2013 at 10:00 o'clock a.m.**, in the County Courthouse, Jacksboro, Texas, at which time the following subjects* will be discussed and appropriate action taken, to-wit:

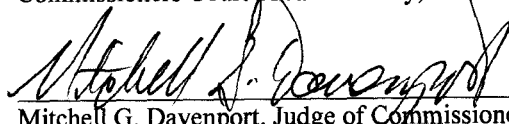
These subjects may or may not be discussed in the order shown. All items listed below as part of the called "Consent Agenda Items" require no deliberation by the Court. Each Court member has the prerogative of removing an item from this agenda so that it may be considered separately.

1. PUBLIC FORUM (Limited to 5 minutes per person);
2. PAYMENT OF CLAIMS;
3. CONSENT AGENDA ITEMS:
 - (a) Approval of Minutes of September 23, 2013;
 - (b) Approval of Road Boring/Crossing (2 crossings) by Atlas Barnett, LLC on Post Oak Road in Precinct #1;
 - (c) Approval of Road Boring/Crossing (2 crossings) by Rife Energy Operating, Inc. on Rater Road in Precinct #4;
 - (d) Approval by the Court authorizing the Treasurer to pay Appellate Court Administration fee on a monthly basis in accordance with the requirements of § 22.031 without specific authorization (payment and amounts to be presented to this Court for ratification after the fact);
 - (e) Approval of Performance Bond for Reserve Deputy Sheriff James Glen Neff;
 - (f) Approval of execution of Arbitrage Rebate Contract by County Judge with First Southwest Asset Management, Inc. in connection with any resulting arbitrage amounts under County's currently outstanding debt obligations on the construction of the LEC and the courthouse repairs;
4. **Timed Agenda:** None;
5. Discussion of Commissioner Precinct Operations;
6. Discussion of Courthouse Interior Repair Project 2013;
7. Update/Consider of steps and measures for restoration/renovation of courthouse lawn, sprinkler system and landscaping and discussion of lawn maintenance;
8. Amendments to Budget FY13;
9. Consider setting policy on payment of accrued vacation time earned while employees prior to taking office as a department head:

Sharon Robinson, Tax Assessor Collector;
Melvin Mayo, Sheriff;
Janice C. Robinson, County Clerk;
10. Discussion of process to apply for state road assistance under SB 1747 including the development of County Transportation Reinvestment Zones;
12. FUTURE AGENDA ITEMS; AND;
13. ADJOURNMENT.

Dated this the 26th day of September, 2013

Commissioners Court of Jack County, Texas



Mitchell G. Davenport, Judge of Commissioners Court

FILED FOR RECORD

_____ O'CLOCK _____ M.

SEP 26 2013

JANICE ROBINSON, County Clerk
JACK COUNTY, TEXAS

BY _____ DEPUTY

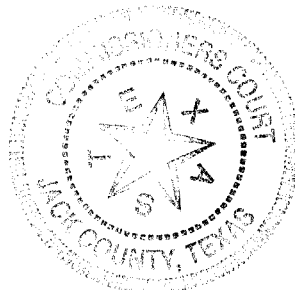
I, the undersigned County Clerk, do hereby certify that the above Notice of Meeting of the above named Commissioners Court, is a true and correct copy of said Notice, and that I posted a true and correct copy of said Notice on the bulletin board at the Courthouse door of Jack County, Texas, at a place readily accessible to the general public at all times on the 26th day of September, 2013, and said Notice remained so posted continuously for at least 72 hours preceding the scheduled time of said meeting.

Dated this the 26th day of September, 2013.

Janice Robinson, County Clerk of Jack County, Texas

By: 

Deputy Clerk



MINUTES

On this the 30th day of September, 2013 the Commissioners Court of Jack County, Texas met in Regular session at 10:07 a.m. with the following elected officials present:

Fearl F. Smith, Commissioner Pct. 1
James L Brock, Commissioner Pct. 2
James L. Cozart, Commissioner Pct. 3
Terry Ward, Commissioner Pct. 4
Mitchell G. Davenport, County Judge

FILED FOR RECORD

_____ O'CLOCK _____ M.

OCT 14 2013

JANICE ROBINSON, County Clerk
JACK COUNTY, TEXAS

BY _____ DEPUTY

PUBLIC FORUM

No members of the public were present.

PAYMENT OF ACCOUNTS AND CLAIMS

All accounts and claims were submitted to the Court for approval. Those submitted were approved and entered into the computer of the County Treasurer.

Commissioner Ward made a motion to pay all bills. Commissioner Cozart seconded and the motion carried unanimously.

CONSENT AGENDA ITEMS

- (a) Approval of Minutes of September 23, 2013;
- (b) Approval of Road Boring/Crossing (2 crossings) by Atlas Barnett, LLC on Post Oak Road in Precinct 1;
- (c) Approval of Road Boring/Crossing (2 crossings) by Rife Energy Operating, Inc. on Rater Road in Precinct 4;
- (d) Approval by the Court authorizing the Treasurer to pay Appellate Court Administration fee on a monthly basis in accordance with the requirements of § 22.031 without specific authorization (payment and amounts to be presented to this Court for ratification after the fact);
- (e) Approval of Performance Bond for Reserve Deputy Sheriff James Glen Neff;
- (f) Approval of execution of Arbitrage Rebate Contract by County Judge with First Southwest Asset Management, Inc. in connection with any resulting arbitrage amounts under County's currently outstanding debt obligations on the construction of the LEC and the courthouse repairs;

Judge Davenport made a motion to approve the Consent Agenda items. Commissioner Ward seconded and the motion carried unanimously.

PRECINCT OPERATIONS

Discussion of Commissioner Precinct Operations;

Commissioner Cozart stated that the City of Bryson is almost ready for the County Precincts to haul the dirt to Iowa Park, Texas as previously approved.

COURTHOUSE INTERIOR REPAIR PROJECT 2013

Discussion of Courthouse Interior Repair Project 2013;

Danny Nash has completed renovations at the Probation office and will return to the Extension office to continue renovations there.

COURTHOUSE LAWN, SPRINKLER SYSTEM AND LANDSCAPING

Update/consideration of steps and measures for restoration/renovation of courthouse lawn, sprinkler system and landscaping;

No action taken.

AMENDMENTS OF BUDGET FY13

Amendments being made to the FY13 Budget will not change the tax rate. Judge Davenport made a motion to approve amendments to the FY2013 Budget. Commissioner Brock seconded and the motion carried unanimously.

PAYMENT OF ACCRUED VACATION TIME BY COUNTY EMPLOYEES

Consider setting policy on payment of accrued vacation time earned while an employee prior to taking office as a department head.

Jack County Personnel Policy Manual of April 13, 1995 states the following: if an employee has worked for at least one year in a position which accrues vacation at the time the employee resigns, is discharged, or is terminated for any other reason, the employee shall receive pay for all unused vacation up to the maximum allowed under this policy.

Tax Assessor Sharon Robinson, Sheriff Melvin Mayo, County Clerk Janice Robinson, and Auditor Earlene Rhoades accrued vacation time as County Employees before becoming Elected or Appointed Officials. To date none of these employees have been paid for this accrued vacation time.

Judge Davenport made a motion to honor County Policy as set forth in the Personnel Manual and pay these officials on October 7, 2013 which is the next payroll date. Commissioner Brock seconded and the motion carried. Commissioner Smith did not vote.

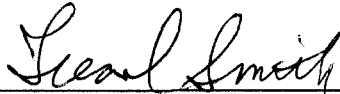
STATE ROAD ASSISTANCE UNDER SB 1747

Discussion of process to apply for state road assistance under SB 1747 including the development of County Transportation Reinvestment Zones;

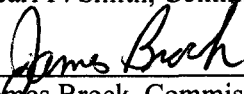
Judge Davenport gave a presentation from the public website www.roadstexasenergy.com. He suggested that the Commissioners can refer to this website for the laws and information regarding participation in this program.

ADJOURN

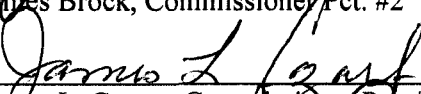
There being no further business motion was made by Commissioner Cozart to adjourn and seconded by Commissioner Brock. The motion carried unanimously.



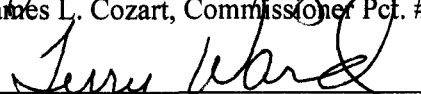
Pearl F. Smith, Commissioner Pct. #1



James Brock, Commissioner Pct. #2



James L. Cozart, Commissioner Pct. #3

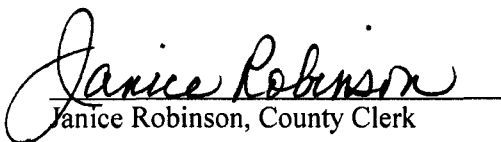


Terry Ward, Commissioner Pct. #4



Mitchell G. Davenport, County Judge

ATTEST:


Janice Robinson, County Clerk

SEP 30 2013

JANICE ROBINSON, County Clerk
JACK COUNTY, TEXAS

DEPUTY

APPLICATION FOR PERMIT TO CROSS COUNTY ROADBY
TO CONSTRUCT PIPELINE OR UTILITYTHE STATE OF TEXAS
COUNTY OF JACK

NOW COMES - Atlas Growth Texas, LLC, hereinafter called Company, and respectfully makes this application to the Commissioners Court of Jack County, Texas, to grant unto the Company a permit for authorization to lay a pipeline or place a utility across and under the public roads of the County of Jack, State of Texas, conditioned as follows:

1. That said Company, in consideration for the grant by said County, does hereby agree that said pipeline/utility of the following description, crossing a county road in Precinct - 1, Jack County, Texas, at a point hereinafter indicated, will be constructed in such a manner that the construction of same will not interfere with public travel, and that no construction will begin until the Commissioner of said precinct, his agents, or employee approves said location by an on-site inspection.

DESCRIPTION AND LOCATION (Map must be attached):

Pipeline crossing on a portion of Post Oak Road that lies on the boundary line between the William Henderson Survey, A-292 (being on the West side) and the J.W. Buckner Survey, A-33 (being on the East side) in Jack County, Texas. *Lat = 33° 15' 22.40" N Lon = 98° 8' 48.31" W*

2. The Company assures the County that it has obtained authorization, if any is required, from any landowners adjoining the crossing to cross whatever portion of their land, if any, lies beneath the roadway.
3. Such pipeline/utility shall be encased, so buried, covered, constructed and maintained as not to interfere with the use and occupancy of such roads by the public or the County. That a pipeline shall be buried to the depth of at least three (3) feet below the surface of the borrow ditch, that the pipeline/utility shall be situated no closer than three (3) feet from the edge of the roadway, and that the road will be restored at the time of construction to its original condition.
4. In the event it becomes necessary to build a Farm-to-Market Road or other road across such roads, it will become the duty of said the Company to adjust its pipeline with such construction without compensation from the County.
5. If said crossing is accomplished by crossing the traveled portion of said road, then the Company agrees it shall, that at its expense, bore under the road as its means of crossing and not cut or trench said road for a crossing. Said boring shall be at a depth of at least three (3) feet below the depth of the borrow ditch.
6. The Company shall fill and level ditches using appropriate fill material or gravel so as to return the road and/or borrow ditch in same condition as before construction so far as possible. Company shall remove any large rocks unearthed at construction at its expense.
7. The Company shall pay, at the time of application, the sum of ~~\$500,000~~ for each crossing unto the Treasurer of Jack County, Texas. In the event that the permit is not granted, the application fee will be returned.

8. Said access herein granted may be assigned by the Company without further grant or procedure but grantee shall be bound by the same conditions.

9. In the event that the Company abandons its line, the Company shall remove its line from the roadway and this grant is vacated.

10. The Company is responsible to present this application to the Commissioner of the Precinct involved and obtain his signature evidencing the fact that he has seen the application and discussed the location with the Company. The Company shall then present the Application with the appropriate check to the County Judge's Office to then make arrangements for placing the matter on the Commissioners Court Agenda for approval.

11. The Company shall call the County Commissioner 48 hours prior to starting the actual work.

DATED THIS 26th day of September, 2013.

Recommended by:

APPLICANT: Atlas Growth Texas, LLC

Phone No. 817-698-8000

COMMISSIONER:
PRECINCT # -

By: Bu. Thye

APPROVED: Michael J. Gonzalez
County Judge of Jack County, Texas

WM HODGES
266

ELLY
38

MARTIN WALKER

F KELLER
336

WILLIAM HENDERSON

292

M-3344 Z OLD POSTOAK RD

J W BUCKNER

B F GASKINS 2014

A C CAMPBELL
1453

158

18302
SOUTH CAMPSEY CATTLE CO LP J G PITTS
183.00 Ac.
659/377
457

457

RED RD

1694
EASTER CARLAND ETUX
25.00 Ac.
666/238

1693
EASTER CARLAND ETUX
1.00 Ac. ATCHIS
666/238

ATCHISON JAMES D & ANNIE
8.88 Ac.
8/8

3876
WOOLSEY WELDON D
133.82 Ac.
573/517

2324
WOOLSEY IMA JEAN
1.33 Ac.
B/O

LOST CREEK

3877
WOOLSEY WELDON D
1.00 Ac.
523/517

10284
CHERRYHOMES MARGARET S
314.41 Ac.
587/92

51271
TEXAS DEPT OF CRIMINAL JUSTICE
64.48 Ac.
604/365

7272
ROBINSON CHARLES L
2.50 Ac.
6467273

2318
WOOLSEY 1MA
205.14 Ac
0/0

JEAN

↑
N

WV4

Old Post Oak Rd

8347

L. A. Worthington

© 2013 Google

Google

1995

Imagery Date: 4/16/2012 33°15'21.69" N 98°09'17.75" W elev 999 ft eye alt 3229

SEP 30 2013

JANICE ROBINSON, County Clerk

JACK COUNTY, TEXAS

BY _____ DEPUTY

APPLICATION FOR PERMIT TO CROSS COUNTY ROAD
TO CONSTRUCT PIPELINE OR UTILITYTHE STATE OF TEXAS
COUNTY OF JACK

NOW COMES - Atlas Barnett, LLC, hereinafter called Company, and respectfully makes this application to the Commissioners Court of Jack County, Texas, to grant unto the Company a permit for authorization to lay a pipeline or place a utility across and under the public roads of the County of Jack, State of Texas, conditioned as follows:

1. That said Company, in consideration for the grant by said County, does hereby agree that said pipeline/utility of the following description, crossing a county road in Precinct - 1, Jack County, Texas, at a point hereinafter indicated, will be constructed in such a manner that the construction of same will not interfere with public travel, and that no construction will begin until the Commissioner of said precinct, his agents, or employee approves said location by an on-site inspection.

DESCRIPTION AND LOCATION (Map must be attached):

Pipeline road crossing under a portion of Post Oak Road being in the North West Quarter of the Wood County School Land Survey, A-874 in Jack County, Texas.

Lat = 33° 26' 5.85" N Long = 98° 8' 55.65" W

2. The Company assures the County that it has obtained authorization, if any is required, from any landowners adjoining the crossing to cross whatever portion of their land, if any, lies beneath the roadway.
3. Such pipeline/utility shall be encased, so buried, covered, constructed and maintained as not to interfere with the use and occupancy of such roads by the public or the County. That a pipeline shall be buried to the depth of at least three (3) feet below the surface of the borrow ditch, that the pipeline/utility shall be situated no closer than three (3) feet from the edge of the roadway, and that the road will be restored at the time of construction to its original condition.
4. In the event it becomes necessary to build a Farm-to-Market Road or other road across such roads, it will become the duty of said the Company to adjust its pipeline with such construction without compensation from the County.
5. If said crossing is accomplished by crossing the traveled portion of said road, then the Company agrees it shall, that at its expense, bore under the road as its means of crossing and not cut or trench said road for a crossing. Said boring shall be at a depth of at least three (3) feet below the depth of the borrow ditch.
6. The Company shall fill and level ditches using appropriate fill material or gravel so as to return the road and/or borrow ditch in same condition as before construction so far as possible. Company shall remove any large rocks unearthed at construction at its expense.
7. The Company shall pay, at the time of application, the sum of ~~\$5000~~ for each crossing unto the Treasurer of Jack County, Texas. In the event that the permit is not granted, the application fee will be returned.

8. Said access herein granted may be assigned by the Company without further grant or procedure but grantee shall be bound by the same conditions.

9. In the event that the Company abandons its line, the Company shall remove its line from the roadway and this grant is vacated.

10. The Company is responsible to present this application to the Commissioner of the Precinct involved and obtain his signature evidencing the fact that he has seen the application and discussed the location with the Company. The Company shall then present the Application with the appropriate check to the County Judge's Office to then make arrangements for placing the matter on the Commissioners Court Agenda for approval.

11. The Company shall call the County Commissioner 48 hours prior to starting the actual work.

DATED THIS 26th day of September, 2013.

Recommended by:

APPLICANT: Atlas Barnett, LLC

Phone No. 817-698-8000

COMMISSIONER:
PRECINCT # - _____

By: Bill Ilyn

APPROVED: Michael P. Deane
County Judge of Jack County, Texas

Boyd #2

Old Post Oak Rd

© 2013 Google

1995

Imagery Date: 4/16/2012 33°26'06.10" N 98°08'55.08" W elev 960 ft eye alt 2974

Google

APPLICATION FOR PERMIT TO CROSS COUNTY ROAD SEP 30 2013
TO CONSTRUCT PIPELINE OR UTILITYTHE STATE OF TEXAS
COUNTY OF JACKJANICE ROBINSON, County Clerk
JACK COUNTY, TEXAS

BY _____ DEPUTY

NOW COMES - RIFE ENERGY OPERATING, INC., hereinafter called Company, and respectfully makes this application to the Commissioners Court of Jack County, Texas, to grant unto the Company authorization to lay a pipeline or place a utility across and under the public roads of the County of Jack, State of Texas, conditioned as follows:

1. That said Company, in consideration for the grant by said County, does hereby agree that said pipeline/utility of the following description, crossing a county road in Precinct - 4, Jack County, Texas, at a point hereinafter indicated, will be constructed in such a manner that the construction of same will not interfere with public travel, and that no construction will begin until the Commissioner of said precinct, his agents, or employee approves said location by an on-site inspection.

DESCRIPTION AND LOCATION (Map must be attached):

.55 MILES SOUTH OF THE INTERSECTION OF CR RATER ROAD & OAKLAND ROAD -
MAP ATTACHED.

2. The Company assures the County that it has obtained authorization, if any is required, from any landowners adjoining the crossing to cross whatever portion of their land, if any, lies beneath the roadway.

3. Such pipeline/utility shall be encased, so buried, covered, constructed and maintained as not to interfere with the use and occupancy of such roads by the public or the County. That a pipeline shall be buried to the depth of at least three (3) feet below the surface of the borrow ditch, that the pipeline/utility shall be situated no closer than three (3) feet from the edge of the roadway, and that the road will be restored at the time of construction to its original condition.

4. In the event it becomes necessary to build a Farm-to-Market Road or other road across such roads, it will become the duty of said the Company to adjust its pipeline with such construction without compensation from the County.

5. If said crossing is accomplished by crossing the traveled portion of said road, then the Company agrees it shall, that at its expense, bore under the road as its means of crossing and not cut or trench said road for a crossing. Said boring shall be at a depth of at least three (3) feet below the depth of the borrow ditch.

6. The Company shall fill and level ditches using appropriate fill material or gravel so as to return the road and/or borrow ditch in same condition as before construction so far as possible. Company shall remove any large rocks unearthed at construction at its expense.

7. The Company shall pay, at the time of application, the sum of \$500.00 for each crossing unto the Treasurer of Jack County, Texas. In the event that the permit is not granted, the application fee will be returned.

8. Said access herein granted may be assigned by the Company without further grant or procedure but grantee shall be bound by the same conditions.

9. In the event that the Company abandons its line, the Company shall remove its line from the roadway and this grant is vacated.

10. The Company is responsible to present this application to the Commissioner of the Precinct involved and obtain his signature evidencing the fact that he has seen the application and discussed the location with the Company. The Company shall then present the Application with the appropriate check to the County Judge's Office to then make arrangements for placing the matter on the Commissioners Court Agenda for approval.

11. The Company shall call the County Commissioner 48 hours prior to starting the actual work.

DATED THIS 24TH day of SEPTEMBER, 2013.

Recommended by:

APPLICANT: RIFE ENERGY OPERATING, INC.

Phone No. (817) 732-8739 -

COMMISSIONER:
PRECINCT # - 4

By: Joe Bill Bennett
JOE BILL BENNETT, PRESIDENT

APPROVED: Robert J. Donaghy
County Judge of Jack County, Texas

Rater Rd

Oakland Rd

Road Crossing

APPLICATION FOR PERMIT TO CROSS COUNTY ROAD
TO CONSTRUCT PIPELINE OR UTILITY

THE STATE OF TEXAS
COUNTY OF JACK

NOW COMES - RIFE ENERGY OPERATING, INC., hereinafter called the Company, and respectfully makes this application to the Commissioners Court of Jack County, Texas, to grant unto the Company authorization to lay a pipeline or place a utility across and under the public roads of the County of Jack, State of Texas, conditioned as follows:

1. That said Company, in consideration for the grant by said County, does hereby agree that said pipeline/utility of the following description, crossing a county road in Precinct - 4, Jack County, Texas, at a point hereinafter indicated, will be constructed in such a manner that the construction of same will not interfere with public travel, and that no construction will begin until the Commissioner of said precinct, his agents, or employee approves said location by an on-site inspection.

DESCRIPTION AND LOCATION (Map must be attached):

1.5 MILES EAST ON CR RATER ROAD FROM HIGHWAY 175 - MAP ATTACHED.

2. The Company assures the County that it has obtained authorization, if any is required, from any landowners adjoining the crossing to cross whatever portion of their land, if any, lies beneath the roadway.

3. Such pipeline/utility shall be encased, so buried, covered, constructed and maintained as not to interfere with the use and occupancy of such roads by the public or the County. That a pipeline shall be buried to the depth of at least three (3) feet below the surface of the borrow ditch, that the pipeline/utility shall be situated no closer than three (3) feet from the edge of the roadway, and that the road will be restored at the time of construction to its original condition.

4. In the event it becomes necessary to build a Farm-to-Market Road or other road across such roads, it will become the duty of said the Company to adjust its pipeline with such construction without compensation from the County.

5. If said crossing is accomplished by crossing the traveled portion of said road, then the Company agrees it shall, that at its expense, bore under the road as its means of crossing and not cut or trench said road for a crossing. Said boring shall be at a depth of at least three (3) feet below the depth of the borrow ditch.

6. The Company shall fill and level ditches using appropriate fill material or gravel so as to return the road and/or borrow ditch in same condition as before construction so far as possible. Company shall remove any large rocks unearthed at construction at its expense.

7. The Company shall pay, at the time of application, the sum of \$500.00 for each crossing unto the Treasurer of Jack County, Texas. In the event that the permit is not granted, the application fee will be returned.

FILED FOR RECORD
O'CLOCK _____ M.
SEP 30 2013
JAMES ROBINSON, County Clerk
JACK COUNTY, TEXAS
BY _____

8. Said access herein granted may be assigned by the Company without further grant or procedure but grantee shall be bound by the same conditions.

9. In the event that the Company abandons its line, the Company shall remove its line from the roadway and this grant is vacated.

10. The Company is responsible to present this application to the Commissioner of the Precinct involved and obtain his signature evidencing the fact that he has seen the application and discussed the location with the Company. The Company shall then present the Application with the appropriate check to the County Judge's Office to then make arrangements for placing the matter on the Commissioners Court Agenda for approval.

11. The Company shall call the County Commissioner 48 hours prior to starting the actual work.

DATED THIS 24TH day of SEPTEMBER, 2013.

Recommended by:

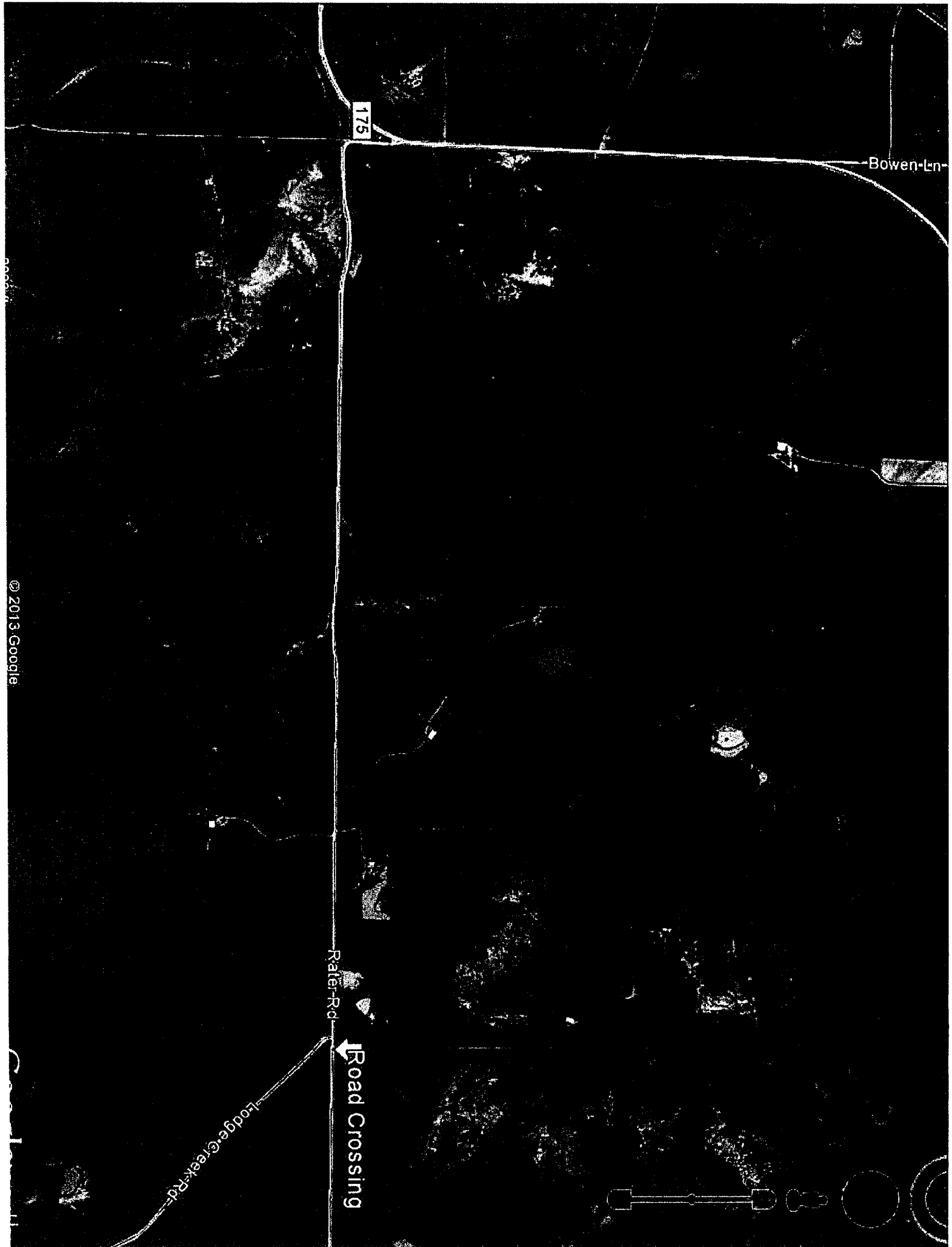
APPLICANT: RIFE ENERGY OPERATING, INC.

Phone No. (817) 732-8739 -

COMMISSIONER:
PRECINCT # - 4 -

By: Joe Bill Bennett -
JOE BILL BENNETT, PRESIDENT

APPROVED: Michael S. Gougeon -
County Judge of Jack County, Texas



175

Bowen-Ln

Rater Rd

Road Crossing

Lodge-Creek Rd

AGREEMENT FOR
ARBITRAGE REBATE COMPLIANCE SERVICES
BETWEEN
JACK COUNTY, TEXAS
(Hereinafter Referred to as the "Issuer")
AND
FIRST SOUTHWEST ASSET MANAGEMENT, INC.
(Hereinafter Referred to as "First Southwest")

OCT 04 2013

JANICE ROBINSON, County Clerk
JACK COUNTY, TEXAS

BY _____ DEPUTY

It is understood and agreed that the Issuer, in connection with the sale and delivery of certain bonds, notes, certificates, or other tax-exempt obligations (the "**Obligations**"), will have the need to determine to what extent, if any, it will be required to rebate certain investment earnings (the amount of such rebate being referred to herein as the "**Arbitrage Amount**") from the proceeds of the Obligations to the United States of America pursuant to the provisions of Section 148(f)(2) of the Internal Revenue Code of 1986, as amended (the "**Code**"). For purposes of this Agreement, the term "Arbitrage Amount" includes payments made under the election to pay penalty in lieu of rebate for a qualified construction issue under Section 148(f)(4) of the Code.

We are pleased to submit the following proposal for consideration; and if the proposal is accepted by the Issuer, it shall become the agreement (the "**Agreement**") between the Issuer and First Southwest effective at the date of its acceptance as provided for herein below.

1. This Agreement shall apply to all issues of tax-exempt Obligations delivered subsequent to the effective date of the rebate requirements under the Code, except for (i) issues which qualify for exceptions to the rebate requirements in accordance with Section 148 of the Code and related Treasury regulations, or (ii) issues excluded by the Issuer in writing in accordance with the further provisions hereof, (iii) new issues effected in a fashion whereby First Southwest is unaware of the existence of such issue, (iv) issues in which, for reasons outside the control of First Southwest, First Southwest is unable to procure the necessary information required to perform such services.

Covenants of First Southwest

2. We agree to provide our professional services in determining the Arbitrage Amount with regard to the Obligations. The Issuer will assume and pay the fee of First Southwest as such fee is set out in Appendix A attached hereto. First Southwest shall not be responsible for any extraordinary expenses incurred on behalf of Issuer in connection with providing such professional services, including any costs incident to litigation, mandamus action, test case or other similar legal actions.
3. We agree to perform the following duties in connection with providing arbitrage rebate compliance services:
 - a. To cooperate fully with the Issuer in reviewing the schedule of investments made by the Issuer with (i) proceeds from the Obligations, and (ii) proceeds of other funds of the Issuer which, under Treasury Regulations Section 1.148, or any successor regulations thereto, are subject to the rebate requirements of the Code;
 - b. To perform, or cause to be performed, consistent with the Code and the regulations promulgated thereunder, calculations to determine the Arbitrage Amount under Section 148(f)(2) of the Code; and
 - c. To provide a report to the Issuer specifying the Arbitrage Amount based upon the investment schedule, the calculations of bond yield and investment yield, and other information deemed relevant by First Southwest. In undertaking to provide the services set forth in paragraph 2 and this paragraph 3, First Southwest does not assume any responsibility for any record retention requirements which the Issuer may have under the Code or other applicable laws, it being understood that the Issuer shall remain responsible for compliance with any such record retention requirements.

Covenants of the Issuer

4. In connection with the performance of the aforesaid duties, the Issuer agrees to the following:
 - a. The fees due to First Southwest in providing arbitrage rebate compliance services shall be calculated in accordance with Appendix A attached hereto. The fees will be payable upon delivery of the report prepared by First Southwest for each issue of Obligations during the term of this Agreement.
 - b. The Issuer will provide First Southwest all information regarding the issuance of the Obligations and the investment of the proceeds therefrom, and any other information necessary in connection with calculating the Arbitrage Amount. First Southwest will rely on the information supplied by the Issuer without inquiry, it being understood that First Southwest will not conduct an audit or take any other steps to verify the accuracy or authenticity of the information provided by the Issuer.
 - c. The Issuer will notify First Southwest in writing of the retirement, prior to the scheduled maturity, of any Obligations included under the scope of this Agreement within 30 days of such retirement. This notification is required to provide sufficient time to comply with Treasury Regulations Section 1.148-3(g) which requires final payment of any Arbitrage Amount within 60 days of the final retirement of the Obligations. In the event the Issuer fails to notify First Southwest in a timely manner as provided hereinabove, First Southwest shall have no further obligation or responsibility to provide any services under this Agreement with respect to such retired Obligations.
5. In providing the services set forth in this Agreement, it is agreed that First Southwest shall not incur any liability for any error of judgment made in good faith by a responsible officer or officers thereof and, except to the limited extent set forth in this paragraph, shall not incur any liability for any other errors or omissions, unless it shall be proved that such error or omission was a result of the gross negligence or willful misconduct of said officer or officers. In the event a payment is assessed by the Internal Revenue Service due to an error by First Southwest, the Issuer will be responsible for paying the correct Arbitrage Amount and First Southwest's liability shall not exceed the amount of any penalty or interest imposed on the Arbitrage Amount as a result of such error.

Obligations Issued Subsequent to Initial Contract

6. The services contracted for under this Agreement will automatically extend to any additional Obligations (including financing lease obligations) issued during the term of this Agreement, if such Obligations are subject to the rebate requirements under Section 148(f)(2) of the Code. In connection with the issuance of additional Obligations, the Issuer agrees to the following:
 - a. The Issuer will notify or cause the notification, in writing, to First Southwest of any tax-exempt financing (including financing lease obligations) issued by the Issuer during any calendar year of this Agreement, and will provide First Southwest with such information regarding such Obligations as First Southwest may request in connection with its performance of the arbitrage rebate services contracted for hereunder. If such notice is not provided to First Southwest with regard to a particular issue, First Southwest shall have no obligation to provide any services hereunder with respect to such issue.
 - b. At the option of the Issuer, any additional Obligations to be issued subsequent to the execution of this Agreement may be excluded from the services provided for herein. In order to exclude an issue, the Issuer must notify First Southwest in writing of their intent to exclude any specific Obligations from the scope of this Agreement, which exclusion shall be permanent for the full life of the Obligations; and after receipt of such notice, First Southwest shall have no obligation to provide any services under this Agreement with respect to such excluded Obligations.

Effective Date of Agreement

7. This Agreement shall become effective at the date of acceptance by the Issuer as set out herein below and remain in effect thereafter for a period of five (5) years from the date of acceptance, provided, however, that this Agreement may be terminated with or without cause by the Issuer or First Southwest upon thirty (30) days prior written notice to the other party. In the event of such termination, it is understood and agreed that only the amounts due to First Southwest for services provided and extraordinary expenses incurred to and including the date of termination will be due and payable. No penalty will be assessed for termination of this Agreement. In the event this Agreement is terminated prior to the completion of its stated term, all records provided to First Southwest with respect to the investment of monies by the Issuer shall be returned to the Issuer as soon as practicable following written request by Issuer. In addition, the parties hereto agree that, upon termination of this Agreement, First Southwest shall have no continuing obligation to the Issuer regarding any arbitrage rebate related services contemplated herein, regardless of whether such services have previously been undertaken, completed or performed.

Acceptance of Agreement

8. This Agreement is submitted in duplicate originals. When accepted by the Issuer in accordance with the terms hereof, it, together with Appendix A attached hereto, will constitute the entire Agreement between the Issuer and First Southwest for the purposes and the consideration herein specified. In order for this Agreement to become effective, it must be accepted by the Issuer within sixty (60) days of the date appearing below the signature of First Southwest's authorized representative hereon. After the expiration of such 60-day period, acceptance by the Issuer shall only become effective upon delivery of written acknowledgement and reaffirmation by First Southwest that the terms and conditions set forth in this Agreement remain acceptable to First Southwest.

Governing Law

9. This Agreement will be governed by and construed in accordance with the laws of the State of Texas, without regard to its principles of conflicts of laws.

Acceptance will be indicated on both copies and the return of one executed copy to First Southwest.

Respectfully submitted,

FIRST SOUTHWEST ASSET MANAGEMENT, INC.

By Hill A. Feinberg

Hill A. Feinberg, Chairman & Chief Executive Officer

Date _____

ISSUER'S ACCEPTANCE CLAUSE

The above and foregoing is hereby in all things accepted and approved by

County of Jack, on this the 30th day of September, 2013

By Mitchell G. Dawenport
Authorized Representative

Title County Judge
Printed Name Mitchell G. Dawenport

APPENDIX A - FEES

The Obligations to be covered initially under this contract include all issues of tax-exempt obligations delivered subsequent to the effective dates of the rebate requirements, under the Code, except as set forth in Section I of the Agreement.

The fee for any Obligations under this contract shall only be payable if a computation is required under Section 148(f)(2) of the Code. In the event that any of the Obligations fall within an exclusion to the computation requirement as defined by Section 148 of the Code or related regulations and no calculations were required by First Southwest to make that determination, no fee will be charged for such issue. For example, certain obligations are excluded from the rebate computation requirement if the proceeds are spent within specific time periods. In the event a particular issue of Obligations fulfills the exclusion requirements of the Code or related regulations, the specified fee will be waived by First Southwest if no calculations were required to make the determination.

First Southwest's fee for arbitrage rebate services is based upon a fixed annual fee per issue. The annual fee is charged based upon the number of years that proceeds exist subject to rebate from the delivery date of the issue to the computation date.

First Southwest's fees are payable upon delivery of the report. The first report will be made following one year from the date of delivery of the Obligations and on each computation date thereafter during the term of the Agreement. The fees for computations of the Arbitrage Amount which encompass more, or less, than one Computation Year shall be prorated to reflect the longer, or shorter, period of work performed during that period.

The fee for each of the Obligations included in this contract shall be based on the table below.

Additionally, due to significant time saving efficiencies realized when investment information is submitted in an electronic format, First Southwest passes the savings to its clients by offering a 10% reduction in its fees if information is provided in a spreadsheet or electronic text file format.

Description	Annual Fee
ANNUAL FEE	\$1,200
COMPREHENSIVE ARBITRAGE COMPLIANCE SERVICES INCLUDE:	
<ul style="list-style-type: none">• Commingled Funds Analysis & Calculations• Spending Exception Analysis & Calculations• Yield Restriction Analysis & Calculations (for yield restricted Project Funds, Reserve Funds, Escrow Funds, etc.)• Parity Reserve Fund Allocations• Transferred Proceeds Calculations• Universal Cap Calculations• Debt Service Fund Calculations (including earnings test when required)• Preparation of all Required IRS Paperwork for Making a Rebate Payment / Yield Reduction Payment• Retention of Records Provided for Arbitrage Computations• IRS Audit Assistance• Delivery of Rebate Calculations Each Year That Meets the Timing Requirements of the Audit Schedule• On-Site Meetings, as Appropriate, to Discuss Calculation Results / Subsequent Planning Items	INCLUDED
OTHER SERVICES AVAILABLE:	
IRS Refund Request – Update calculation, prepare refund request package, and assist issuer as necessary in responding to subsequent IRS Information Requests	\$750
Commercial Paper Calculations – Per allocated issue	\$1,600

Note: On the \$6,600,000 Certificates of Obligation, Series 2003, the fee for the final calculation as of February 15, 2013 shall not exceed \$2,500.

EXPLANATION OF TERMS:

- a. **Computation Year:** A "Computation Year" represents a one year period from the delivery date of the issue to the date that is one calendar year after the delivery date, and each subsequent one-year period thereafter. Therefore, if a calculation is required that covers more than one "computation year," the annual fee is multiplied by the number of computation years contained in the calculation being performed. If a calculation includes a portion of a computation year, i.e., if the calculation includes 1 ½ computation years, then the base fee will be multiplied by 1.5.
- b. **Electronic Data Submission:** The data should be provided electronically in MS Excel or ASCII text file (comma delimited text preferred) with the date, description, dollar amount, and an activity code (if not in debit and credit format) on the same line in the file.
- c. **Variable/Floating Rate Bond Issues:** Special services are also required to perform the arbitrage rebate calculations for variable rate bonds. A bond is a variable rate bond if the interest rate paid on the bond is dependent upon an index which is subject to changes subsequent to the issuance of the bonds. The computational requirements of a variable rate issue are more complex than those of a fixed rate issue and, accordingly, require significantly more time to calculate. The additional complexity is primarily related to the computation of the bond yield, which must be calculated on a "bond year" basis. Additionally, the regulations provide certain flexibility in computing the bond yield and determining the arbitrage amount over the first IRS reporting period; consequently, increased calculations are required to determine which bond yield calculation produces the lowest arbitrage amount.
- d. **Commingled Fund Allocations:** By definition, a commingled fund is one that contains either proceeds of more than one bond issue or proceeds of a bond issue and non-bond proceeds (i.e., revenues) of \$25,000 or more. The arbitrage regulations, while permitting the commingling of funds, require that the proceeds of the bond issue(s) be "carved out" for purposes of determining the arbitrage amount. Additionally, interest earnings must be allocated to the portion of the commingled fund that represents proceeds of the issue(s) in question. Permitted "safe-harbor" methods (that is, methods that are outlined in the arbitrage regulations and, accordingly, cannot be questioned by the IRS under audit), exist for allocating expenditures and interest earnings to issues in a commingled fund. First Southwest uses one of the applicable safe-harbor methods when doing these calculations.
- e. **Debt Service Reserve Funds:** The authorizing documents for many revenue bond issues require that a separate fund be established (the "Reserve Fund") into which either bond proceeds or revenues are deposited in an amount equal to some designated level, such as average annual debt service on all parity bonds. This Reserve Fund is established for the benefit of the bondholders as additional security for payment on the debt. In most cases, the balance in the Reserve Fund remains stable throughout the life of the bond issue. Reserve Funds, whether funded with bond proceeds or revenues, must be included in all rebate calculations.
- f. **Debt Service Fund Calculations:** Issuers are required under the regulations to analyze the invested balances in their debt service funds annually to determine whether the fund depletes as required during the year and is, therefore, "bona fide" (i.e., potentially exempt from rebate in that year). It is not uncommon for surplus balances to develop in the debt service fund that services an issuer's tax supported debt, particularly due to timing differences of when the funds were due to be collected versus when the funds were actually collected. First Southwest performs this formal analysis of the debt service fund and, should it be determined that a surplus balance exists in the fund during a given year, allocates the surplus balance among the various issues serviced by the fund in a manner that is acceptable under IRS review.
- g. **Earnings Test for Debt Service Funds:** Certain types of bond issues require an additional level of analysis for the debt service fund, even if the fund depletes as required under the regulations and is "bona fide." For short-term, fixed rate issues, private activity issues, and variable rate issues, the regulations require that an "earnings test" be performed on a bona fide debt service fund to determine if the interest earnings reached \$100,000 during the year. In cases where the earnings reach or exceed the \$100,000 threshold, the entire fund (not just the surplus or residual portion) is subject to rebate.
- h. **Transferred Proceeds Calculations:** When a bond issue is refinanced (refunded) by another issue, special services relating to "transferred proceeds" calculations may need to be performed. Under the regulations, when proceeds of a refunding issue are used to retire principal of a prior issue, a pro-rata portion of the unspent proceeds of the prior issue becomes subject to rebate and/or yield restriction as transferred proceeds of the refunding issue. The refunding issue essentially "adopts" the unspent proceeds of the prior issue for purposes of the arbitrage calculations. These

calculations are required under the regulations to ensure that issuers continue to exercise due diligence to complete the project(s) for which the prior bonds were issued.

- i. **Universal Cap:** Current regulations provide an overall limitation on the amount of gross proceeds allocable to an issue. Simply stated, the value of investments allocated to an issue cannot exceed the value of all outstanding bonds of the issue. For example, this situation can occur if an issuer encounters significant construction delays or enters into litigation with a contractor. It may take months or even years to resolve the problems and begin or resume spending the bond proceeds; however, during this time the debt service payments are still being paid, including any scheduled principal payments. Thus, it's possible for the value of the investments purchased with bond proceeds to exceed the value of the bonds outstanding. In such cases, a "de-allocation" of proceeds may be required to comply with the limitation rules outlined in the regulations.
- j. **Yield Restriction Analysis/Yield Reduction Computations:** The IRS strongly encourages issuers to spend the proceeds of each bond issue as quickly as possible to achieve the governmental purpose for which the bonds were issued. Certain types of proceeds can qualify for a "temporary period," during which time the proceeds may be invested at a yield higher than the yield on the bonds without jeopardizing the tax-exempt status of the issue. The most common temporary period is the three-year temporary period for capital project proceeds. After the end of the temporary period, the proceeds must be yield restricted or the issuer must remit the appropriate yield reduction payment when due. First Southwest performs a comprehensive yield restriction analysis when appropriate for all issues having proceeds remaining at the end of the applicable temporary period and also calculates the amount of the yield reduction payment due to the IRS.