CITY OF SHERMAN
CITY COUNCIL CALLED MEETING AGENDA
COUNCIL CHAMBERS OF THE CITY HALL
220 WEST MULBERRY STREET
SHERMAN, TEXAS
TUESDAY, JULY 6, 2021
5:00 P.M.

A. 1. CALL TO ORDER, QUORUM DETERMINED, MEETING DECLARED OPEN

A. 2. PLEDGE OF ALLEGIANCE LED BY COUNCIL MEMBER SHAWN TEAMANN

A. 3. INVOCATION BY COUNCIL MEMBER SHAWN TEAMANN

A. 4. APPROVE MINUTES OF THE REGULAR CITY COUNCIL MEETING OF JUNE 21, 2021

Special Presentations

B. 1. SPECIAL PRESENTATION
Recognition of Eight Small Businesses Celebrating One Year of Operation in the City of Sherman and/or One Year of Chamber of Commerce membership.

Citizen Comments

C. 1. CITIZEN COMMENTS
During this meeting, the City Council welcomes public comment **only** on agenda items listed under the Open Meeting portion of the agenda, in accordance with Texas Government Code Section 551.007. For items not listed on the agenda, those matters may be discussed with City staff during regular business hours, or with the Mayor or any Council member by contacting them at times other than at City Council meetings.

Consent Agenda

D. 1. CONSENT AGENDA
Asterisked (*) items are considered to be routine and will be enacted in one motion without discussion unless a Council Member or a citizen requests a specific item be discussed and voted on separately

Resolutions

E. 1. RESOLUTION NO. 6743(TABLED AT JUNE 7, 2021 COUNCIL MEETING)
Awarding a Bid to Harkinson Management, LLC, for the Purchase and Sale of 15.260± Acres of Land in the Elizabeth Jones Survey, Abstract No. 625, City of Sherman, Grayson County, Texas, Generally Located at the Northeast Corner of the Intersection of West Travis Street and FM 1417; Authorizing Execution of Necessary Transaction Documents Related Thereto

Any item on this posted agenda may be discussed in Executive Session provided it is within one of the permitted categories under Chapter 551 of the Texas Government Code

E. 2. **RESOLUTION NO. 6750**
Authorizing Execution of a Law Enforcement Officer Interlocal Agreement between the City of Sherman, Texas, and the City of Gunter, Texas

Requests to Advertise

F. 1. ****REQUEST TO ADVERTISE***
Setting Suns Drainage Improvements Phase II

F. 2. **** REQUEST TO ADVERTISE***
Request to Advertise for the Annual Supply of Tires for On-Road and Off-Road Fleet Equipment

Other Business

G. 1. **OTHER BUSINESS**
Receive Quarterly Progress Report from Sherman Economic Development Corporation President Kent Sharp

G. 2. **OTHER BUSINESS**
Consider Scheduling a Joint Meeting of the City Council and the Sherman Economic Development Corporation Board of Directors for 12:00 p.m. on Tuesday, September 14, 2021, to Review and Approve SEDCO's Annual Budget and Work Plan

H. **MEDIA QUESTIONS**

I. **COUNCIL COMMENTS**

Executive Session

EXECUTIVE SESSION

In accordance with the Texas Open Meetings Act, Chapter 551 of the Texas Government Code, the City Council may hold an Executive Session if the discussion of any of the items identified in this agenda, or any of the items identified below, concern one or more of the following:

Tex. Gov't Code § 551.071	Seeking the advice of its attorney about pending or contemplated litigation, settlement offers or any matter in which the duty of the attorney to the City Council under the Texas Disciplinary Rules of Professional Conduct of the State Bar of Texas clearly conflicts with the Texas Open Meetings Act.
	(a) Receive Legal Advice Regarding Wastewater Treatment Agreement November 2, 2009
	(b) Receive Legal Advice Regarding Disclosure Statement Requirements Under Chapter 176 of the Local Government Code

Tex. Gov't Code § 551.072	Deliberating the purchase, exchange, lease or value of real property if deliberation in an Open Meeting would have a detrimental effect on the position of the City in negotiations with a third person.
Tex. Gov't Code § 551.073	Deliberating a negotiated contract for a prospective gift or donation to the City if deliberation in an Open Meeting would have a detrimental effect on the position of the City in negotiations with a third person.
Tex. Gov't Code § 551.074	Deliberating the appointment, employment, evaluation, reassignment, duties, discipline or dismissal of a public officer or employee; or to hear a complaint or charge against an officer or employee unless the officer or employee who is the subject of the deliberation or hearing requests a public hearing.
Tex. Gov't Code § 551.076	Deliberating the deployment, or specific occasions for implementation, of security personnel or devices or a security audit.
Tex. Gov't Code § 551.087	Discussing or deliberating commercial or financial information that the City has received from a business prospect that the City seeks to have locate, stay or expand in or near the City and with which the City is conducting economic development negotiations; or deliberating the offer of a financial or other incentive to a business prospect. (a) Presentation from Ivy Group on the Sherman Hospital Project (b) Economic Development Prospect
Tex. Gov't Code § 551.089	Deliberating security assessments or deployments relating to information resources technology, network security information, or the deployment or specific occasions for implementation of security personnel, critical infrastructure or security devices.

The Council reconvenes into General Session

K. 1. OPEN MEETING

Reconvene into Open Meeting and Consider Action, if any, on items discussed in Executive Session

L. ADJOURNMENT

COUNCIL CALENDAR

Any item on this posted agenda may be discussed in Executive Session provided it is within one of the permitted categories under Chapter 551 of the Texas Government Code

CERTIFICATION

I, the undersigned authority, do hereby certify that the above Notice of Called Meeting of the City Council of the City of Sherman 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 City Hall of said City of Sherman, Texas, a place convenient to the public, and said notice was posted on July 2, 2021 at 4:00 p.m., and said time of posting was 72 hours before said meeting was convened or called to order.

Dated this 2nd day of July, 2021.
City of Sherman, Texas

_____
City Clerk

The above agenda schedule represents an estimate of the order for the indicated items and is subject to change at any time.

All agenda items are subject to final action by the City Council.

An unscheduled closed executive session may be held if the discussion of any of the above agenda items concerns the purchase, exchange, lease or value of real property; the appointment, employment, evaluation, reassignment, duties, discipline or dismissal of a public officer or employee; the deployment or use of security personnel or equipment; or requires consultations with the City Attorney.

At the discretion of the City Council, non-agenda items under the headings of "Citizens Requests", "Media Questions", and "Council Concerns" may be presented to the Council for informational purposes; however, by law, the Council shall not discuss, deliberate, or vote upon such matters except that a statement of specific factual information, a recitation of existing policy, and deliberations concerning the placing of the subject on a subsequent agenda may take place.

The City Attorney has approved the Executive Session items on this agenda.

PERSONS WITH DISABILITIES, WHO PLAN TO ATTEND THIS MEETING AND WHO MAY NEED ASSISTANCE, ARE REQUESTED TO CONTACT LINDA ASHBY AT (903) 892-7204, TWO (2) WORKING DAYS PRIOR TO THE MEETING SO THAT APPROPRIATE ARRANGEMENTS CAN BE MADE.

Mayor	Deputy Mayor	Council Members	
David Plyler	Daron Holland	Willie Steele, Council-At-Large, PL #1	Josh Stevenson, Council – District #2
		Sandra Melton, Council-At-Large, PL #2	Pamela L. Howeth, Council – District #3
		Shawn C. Teamann, Council – District #1	Daron Holland, Council – District #4

Any item on this posted agenda may be discussed in Executive Session provided it is within one of the permitted categories under Chapter 551 of the Texas Government Code

SHERMAN CITY COUNCIL
Agenda Communication Form

City Council Called Meeting **A. 4.**

Meeting Date: 07/06/2021

Approved By: Robby Hefton, City Manager

Caption:

APPROVE MINUTES OF THE REGULAR CITY COUNCIL MEETING OF JUNE 21, 2021

Attachments

June 21, 2021
GTUA Bond Refunding

STATE OF TEXAS §

June 21, 2021

COUNTY OF GRAYSON §

BE IT REMEMBERED THAT A Regular Meeting of the City Council of the City of Sherman, Grayson County, Texas was begun and held in the Council Chambers of City Hall on June 21, 2021.

MEMBERS PRESENT: **MAYOR DAVID PLYLER; DEPUTY MAYOR DARON HOLLAND.**
COUNCIL MEMBERS HOWETH, MELTON, STEELE, STEVENSON, TEAMANN.

MEMBERS ABSENT: **NONE.**

CALL TO ORDER — **CALL TO ORDER**

Mayor Plyler called the meeting to order at 5:01 p.m. The Pledge of Allegiance and Invocation were given by Council Member Pam Howeth.

APPROVE MINUTES — **APPROVE MINUTES**

The Council reviewed the Minutes of the Regular City Council Meeting of June 7, 2021. Council Member Melton moved to approve the Minutes, as presented; Second by Council Member Howeth; All present voted AYE.
MOTION CARRIED.

CITIZEN'S COMMENTS — **CITIZEN'S COMMENTS**

There were no citizen's comments.

CONSENT AGENDA — **CONSENT AGENDA**

The Council reviewed the Consent Agenda. Council Member Melton moved to approve the Consent Agenda, as presented. Second by Council Member Stevenson. All present voted AYE.

Mayor Plyler introduced Ordinance No. 6393 and called for a public hearing: — **ORD 6393 REFUNDING OF GTUA REVENUE BONDS**

AN ORDINANCE BY THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, RELATING TO GREATER TEXOMA UTILITY AUTHORITY CONTRACT REVENUE REFUNDING BONDS, SERIES 2021 (CITY OF SHERMAN PROJECT); APPROVING THE ISSUANCE THEREOF; AND APPROVING THE REFUNDING OF CERTAIN OUTSTANDING BONDS OF THE AUTHORITY.

Mary Lawrence, Director of Finance, said they were notified a couple of months ago, about a refunding opportunity on some of the Greater Texoma Utility Authority Revenue Bonds.

Garry Kimball, Managing Director, Specialized Public Finance, said they locked in rates two weeks ago that cut the existing interest rate more than half, on over $7.3 million in GTUA debt. These bonds required the City's utility system to make a contract payment to GTUA for water/wastewater facilities that were previously constructed.

The bonds were originally issued in 2011, 2012, and 2013, and were all within 90 days of their August 1, 2021, call date. He said this "cleans up" all the available refunding candidates that the City has with GTUA.

They were able to bring the interest rate down from 3.66% to 1.33%. They originally issued approximately $6.3 million in bonds, and the refunding will reduce the outstanding payment on those bonds by $975,719, and the City will realize that savings over a 17 year period. The savings will be $74,845 annually. He said anything over 3% present value savings, is considered "in the money." This savings is 11.9% of the face amount of the refinanced bonds, or almost "four times in the money."

No other citizens appeared before the City Council to discuss Ordinance No. 6393.

The Public Hearing was closed.

ADOPTION OF ORDINANCES

Ordinance 6393 — **ORD 6393 REFUNDING OF GTUA REVENUE BONDS**

AN ORDINANCE BY THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, RELATING TO GREATER TEXOMA UTILITY AUTHORITY CONTRACT REVENUE REFUNDING BONDS, SERIES 2021 (CITY OF SHERMAN PROJECT); APPROVING THE ISSUANCE THEREOF; AND APPROVING THE REFUNDING OF CERTAIN OUTSTANDING BONDS OF THE AUTHORITY.

ACTION TAKEN.

Motion by Council Member Steele to adopt Ordinance No. 6393, as presented. Second by Council Member Teamann.

VOTING AYE: Holland, Howeth, Melton, Steele, Stevenson, Teamann.
VOTING NAY: None.
MOTION CARRIED.

RESOLUTION NO. 6746 – AWARDING A BID TO AND AUTHORIZING EXECUTION OF A CONTRACT WITH LYNN VESSELS CONSTRUCTION, LLC BASED ON AN INVITATION TO BID FOR CONSTRUCTION OF MOORE STREET FROM WEST TRAVIS STREET TO HERITAGE PARKWAY — **RES 6746 MOORE ST. FROM WEST TRAVIS TO HERITAGE PKWY**

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AWARDING A BID TO AND AUTHORIZING EXECUTION OF A CONTRACT WITH LYNN VESSELS CONSTRUCTION, LLC BASED ON AN INVITATION TO BID FOR CONSTRUCTION OF MOORE STREET FROM WEST TRAVIS STREET TO HERITAGE PARKWAY.

Wayne Lee, Director of Engineering, said this resolution awarded a construction contract to Lynn Vessels Construction, for Moore Street, from West Travis Street to Heritage Parkway. The project also includes a retention/detention pond.

Less than two years ago, the estimate for this project was $2.5 million and the bid came in at $2.7 million. Because of some recent cost increases, the price for the project increased over the

estimate. The staff did some "value engineering" with the developer and the engineer, made changes to the street grade to reduce earth work, and removed some items from the base bid and made them add alternates. These items included sidewalks, water lines, and sewer line crossings. As an add alternate, they could be included if the bid is under the $2.5 million estimate.

He said approximately $2.6 million of the project is being funded with Capital Improvement Program bond funds, and $119,000 is being funded with money received from the Sherman Independent School District, into the detention fund.

Mr. Lee said Resolution 6747 is also related to this project and is the contract with Oncor Electric Delivery Company for the relocation of utility poles for this project.

Council Member Steele asked what the estimated cost was on the two phases of this project, going north. Mr. Lee said the estimate for that section is about $5 million.

Council Member Steele referred to this project as Phase 1, and said Phase 2 and 3, are going to the north. Robby Hefton, City Manager, said this is the only phase that has been engineered. He said construction costs have increased greatly over the last few months.

Council Member Howeth questioned whether the City would receive change orders on this project to add the items that were removed, back into the contract.

Mr. Hefton said there were several bids on this project, one of which was H.P. Zachary, the company that is already in Sherman doing the highway construction. They are already in Sherman and have their equipment here, and mobilized, and their bid was "noticeably higher" than Lynn Vessels' bid. Mr. Hefton said he felt Mr. Vessels bid projects at very competitive rates for the City.

Council Member Melton said she felt that they would be bringing the items back that had to be left out to get the project under budget.

Council Member Teamann said this was the first bid that was put out, but all the development is happening on the other side of Travis Street. He asked if it would be more effective to start on the other side, and could they get a better project if they took a phased approached and had it "phased out" for the entire project.

Mr. Hefton said the City received great prices on all the bids, and continues to develop Moore Street with all the construction in the area. He felt the City should also be doing the engineering and right-of-way for the portion north of The Grove and continuing to Center Street. He said the City is working south to north, and received great bids on this portion, and should move forward.

Council Member Steele asked if there was any project between Travis Street and FM 1417. Mr. Hefton said nothing has come to the City on that portion. He said the phased project is similar to what was done on West Travis Street. Mr. Lee said it will also help relieve some of the traffic at Heritage Parkway and Travis Street.

Mayor Plyler confirmed that the items removed included sidewalks, water lines, and three to four sewer line crossings. Mr. Lee said these could be included as "add alternates." Mr. Hefton said the Council could add in any of the items that were removed, if they wanted too. However, today the staff is requesting the base amount for the street and drainage.

He said the add alternates were also priced very well, and they might try to add some on and get as close to the original estimate as they could.

Mayor Plyler asked if the City might save some money by moving forward with some of the cross-street items, since they have a good price, and they might have to bore the street later. Mr. Hefton said the water lines and sidewalks will be behind the curb and would not cause a street bore. He recommended leaving out anything where they would have to bore the street, and said those amount to about $592,000.

Council Member Steele confirmed that this is the last of the SISD funding contribution. He said the City had made a significant investment, and he felt it only increased the value of this tract of land. Council Member Melton felt there were other streets that needed to be done first.

Mayor Plyler said he was concerned that the City had done the engineering on this road, and the Master Plan supports this road.

Council Member Howeth confirmed that this road would help people leaving Sherman High School, without everyone having to use West Travis Street.

Council Member Teamann felt there was probably more traffic coming from Pebblebrook on Moore Street now. Council Member Steele felt that, when the apartments, the duplexes, and the single-family residences are completed in that area, there would be additional traffic problems. He didn't feel there was "much going on" to the south, that would warrant a $2.7 million project.

Mayor Plyler asked if the road to the south would relieve some of the pressure on the congested area. He asked what was "pushing" this road and what brought it to the forefront of the plan.

Mr. Lee said there was a development agreement for this road, and said it will provide for some relief, and ease for traffic to get to and from the High School. Mr. Hefton added that, when the conversation started, two or three years ago, there was nothing going on north of the High School. He said The Grove is there

now because of the location of the High School. He said development in that area, didn't start until the City and the School District invested in that area.

Council Member Teamann asked about the north phase of Moore Street, which is on the Capital Improvement Plan. Mr. Lee said they are just now engaging an engineer for that portion of the project. Mr. Hefton said there is $2.2 million in the upcoming budget for construction of that project, for Moore Street, from Park Avenue to past The Grove. Engineering should be completed in the next few months.

Council Member Stevenson asked if the City moved forward with this, would it spur development in that area. Mr. Hefton said it would, that water, roads, sewer, and drainage are the barriers to development.

Council Member Stevenson asked if the concern was spending money now, when it could be spent somewhere else. He asked if there was another project "lined up" like this.

Council Member Steele felt like it was "backwards" and the City was doing their part while the developer was doing his part. He agreed that the road would need to be installed.

Kevin Winkler, Public Works Manager, said there is a "stacking effect" from vehicles leaving Sherman High School in the afternoon. He said, when they get ready to build the north section, if they don't have the south section, it will be hard to turn north. He felt the south part of the road would help relieve traffic, and the stacking effect.

Council Member Stevenson asked if this was a limiting factor in the development of the corner that the City owns beside the High School. Mr. Hefton didn't feel it was "the limiting factor," but said transportation, water, sewer, and drainage are always "a" factor.

Council Member Howeth felt that the Council was at a junction to either not do anything, or move forward with this project, and hope that it will alleviate the traffic.

Council Member Teamann asked if there were other projects that were "shovel ready?" Mr. Hefton said there were not.

ACTION TAKEN.
Motion by Council Member Steele to adopt Resolution No. 6746, as presented. Second by Council Member Stevenson.
VOTING AYE: Holland, Howeth, Steele, Stevenson, Teamann.
VOTING NAY: Melton.
MOTION CARRIED.

RESOLUTION NO. 6747 – AUTHORIZING EXECUTION OF A DISCRETIONARY SERVICE AGREEMENT WITH ONCOR ELECTRIC DELIVERY COMPANY, LLC FOR THE RELOCATION OF OVERHEAD ELECTRIC SUPPLY ALONG MOORE STREET AT WEST TRAVIS STREET IN THE CITY OF SHERMAN

RES 6747 RELOCATION OF OVERHEAD ELECTRIC SUPPLY ALONG MOORE ST. AT

WEST TRAVIS ST.

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AUTHORIZING EXECUTION OF A DISCRETIONARY SERVICE AGREEMENT WITH ONCOR ELECTRIC DELIVERY COMPANY, LLC FOR THE RELOCATION OF OVERHEAD ELECTRIC SUPPLY ALONG MOORE STREET AT WEST TRAVIS STREET, IN THE CITY OF SHERMAN.

ACTION TAKEN.

Motion by Council Member Stevenson to adopt Resolution No. 6747, as presented. Second by Council Member Teamann.

VOTING AYE: Holland, Howeth, Steele, Stevenson, Teamann.
VOTING NAY: Melton.
MOTION CARRIED.

RES 6748
WWTP VULNERABILITY ASSESSMENTS

RESOLUTION NO. 6748 – AUTHORIZING EXECUTION OF A PROFESSIONAL SERVICES AGREEMENT WITH GARVER, LLC FOR WASTEWATER VULNERABILITY ASSESSMENTS

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AUTHORIZING EXECUTION OF A PROFESSIONAL SERVICES AGREEMENT WITH GARVER, LLC FOR WASTEWATER VULNERABILITY ASSESSMENTS.
CONSENT AGENDA.

RES 6749
ANNUAL AUDIT

RESOLUTION NO. 6749 – APPOINTING AND AUTHORIZING THE EXECUTION OF AN AGREEMENT WITH PATTILLO, BROWN & HILL, L.L.P. TO PERFORM THE FISCAL YEAR 2021 AUDIT

A RESOLUTION OF THE CIYT COUNCIL OF THE CITY OF SHERMAN, TEXAS, APPOINJTING AND AUTHORIZING THE EXECUTION OF AN AGREEMENT WITH PATTILLO, BROWN & HILL, L.L.P. TO PERFORM THE FISCAL YEAR 2021 AUDIT.
CONSENT AGENDA.

CHANGE ORDER NO. 2
LAMBERTH ROAD DRAINAGE IMPROVEMENTS

CHANGE ORDER NO. 2
LAMBERTH ROAD DRAINAGE IMPROVEMENTS PROJECT; LYNN VESSELS CONSTRUCTION, LLC; $87,993.52 INCREASE

Mr. Lee said there is a sewer line going southeast from the intersection of Travis Street and Lamberth Road that requires cleaning from the Public Works crews, sometimes twice per day, to make sure it's flowing.

The line needs to be replaced, and it seemed more efficient to add it into the Lamberth Road Drainage Improvement Project as a change order. Lynn Vessels Construction was already going to have to relocate some of the sewer line at the creek line anyway. This additional portion runs up to Travis Street.

City staff did give him permission to start replacing this line on an emergency basis. The manhole is in the center of the intersection, and is a really deep line.

Council Member Teamann said the change order is from a project originally dated in 2019. He asked how long the project has been complete. Mr. Lee said the project hasn't started yet. Mr. Hefton said it has taken two years to get the utilities moved for the

project. Mr. Lee said one tract for the utilities was in the middle, and had to go to eminent domain to acquire rights.

ACTION TAKEN.
Motion by Council Member Stevenson to approve Change Order No. 2 for the Lamberth Road Drainage Improvements Project, as presented. Second by Council Member Howeth.
VOTING AYE: Holland, Howeth, Melton, Steele, Stevenson, Teamann.
VOTING NAY: None.
MOTION CARRIED.

CHANGE ORDER NO. 3
WEST TRAVIS STREET PHASE II & III PROJECT; LYNN VESSELS CONSTRUCTION, LLC; $97,997.61 INCREASE

CHANGE ORDER NO. 3 WEST TRAVIS STREET PHASE II & III

Mr. Lee said the West Travis Street Phase II and III Project, was originally estimated to be a $7.8 million project. The actual low bid came in at $4.8 million.

Since that time, there has been two change orders. One was driven by the gas company because they required some retaining walls be installed on their easement. The City also decided to install sod instead of seed, to stabilize the site.

The second change order was the addition of Steeplechase Drive, because the pricing was so good. This change order also reconciled the final as-built numbers, related to West Travis Street.

This change order adds 1.8% to the $5.5 million project, and is still 29% under the original estimate for West Travis Street, Phase II and III, and the City got another street extension out of it.

Council Member Teamann confirmed that they ended up pouring more concrete on this phase than they originally expected.

ACTION TAKEN.
Motion by Council Member Stevenson to approve Change Order No. 3 for the West Travis Street Phase II & III Project, as presented. Second by Council Member Howeth.
VOTING AYE: Holland, Howeth, Melton, Steele, Stevenson, Teamann.
VOTING NAY: None.
MOTION CARRIED.

MEDIA QUESTIONS
There were no media questions.

MEDIA QUESTIONS

COUNCIL COMMENTS
HICKORY STREET DETOUR
Council Member Melton said she used the Hickory Street detour because Lamberth Road and Travis Street were closed, and it should be added to the list of streets needing repair because it is dangerous.

HICKORY STREET DETOUR

Council Member Teamann added that the detour needs to be changed to not use Hickory Street. They both said it was in very bad shape.

JUNETEENTH PROCLAMATION

JUNETEENTH PROCLAMATION

Deputy Mayor Holland said he read a proclamation for the Mayor, for the Juneteenth celebration at Pecan Grove Park recently, and it was a really nice event. He said there were also festivities in honor of Juneteenth on East Street too.

UPDATE ON CHARLES BROWN, SR.

UPDATE ON CHARLES BROWN, SR.

Council Member Teamann updated the Council on former Council Member Charles Brown, Sr., who has been in the hospital for a couple of weeks. He said he is fully recovering and said the family appreciates all the prayers.

ANNOUNCEMENTS

ANNOUNCEMENTS

Mayor Plyler announced the following:

- **Friends of the Sherman Public Library will host a Book Sale on July 10, 2010, from 9:00 a.m. until 2 p.m., at 1000 North East Street.**

- **Sherman is nearly half-way through Hot Summer Nights, but there are sill six great shows coming up. This week Deana Carter will be here, with Jen Phillips opening. Next week the event will move to Pecan Grove Park, for Lights on the Lake, an awesome evening with Rick Springfield.**

- **Coffee with the Mayor will be held on July 2, 2021, at 8:00 a.m., at the Sherman Museum.**

EXECUTIVE SESSION – IN ACCORDANCE WITH CHAPTER 551, GOVT. CODE, V.T.C.S., (OPEN MEETINGS LAW)

EXECUTIVE SESSION

THE CITY COUNCIL WILL NOW HOLD AN EXECUTIVE SESSION PURSUANT TO THE PROVISIONS OF THE OPEN MEETINGS LAW, CHAPTER 551, GOVERNMENT CODE, VERNONS TEXAS CODES ANNOTATED, IN ACCORDANCE WITH THE AUTHORITY CONTAINED IN THE FOLLOWING SECTIONS.

TEX. GOV'T CODE § 551.071 --
SEEKING THE ADVICE OF ITS ATTORNEY ABOUT PENDING OR CONTEMPLATED LITIGATION, SETTLEMENT OFFERS OR ANY MATTER IN WHICH THE DUTY OF THE ATTORNEY TO THE CITY COUNCIL UNDER THE TEXAS DISCIPLINARY RULES OF PROFESSIONAL CONDUCT OF THE STATE BAR OF TEXAS CLEARLY CONFLICTS WITH THE TEXAS OPEN MEETINGS ACT

(A) RECEIVE LEGAL ADVICE REGARDING WASTEWATER TREATMENT AGREEMENT NOVEMBER 2, 2009

TEX. GOV'T CODE § 551.072 --
DELIBERATING THE PURCHASE, EXCHANGE, LEASE OR VALUE OF REAL PROPERTY IF DELIBERATION IN AN OPEN MEETING WOULD HAVE A DETRIMENTAL EFFECT ON THE POSITION OF THE CITY IN NEGOTIATIONS WITH A THIRD PERSON

TEX. GOV'T CODE § 551.073 --
DELIBERATING A NEGOTIATED CONTRACT FOR A PROSPECTIVE GIFT OR DONATION TO THE CITY IF DELIBERATION IN AN OPEN MEETING WOULD HAVE A DETRIMENTAL EFFECT ON THE POSITION OF THE CITY IN NEGOTIATIONS WITH A THIRD PERSON

TEX. GOV'T CODE § 551.074 --
DELIBERATING THE APPOINTMENT, EMPLOYMENT, EVALUATION, REASSIGNMENT, DUTIES, DISCIPLINE OR DISMISSAL OF A PUBLIC OFFICER OR EMPLOYEE; OR TO HEAR A COMPLAINT OR CHARGE AGAINST AN OFFICER OR EMPLOYEE UNLESS THE OFFICER OR EMPLOYEE WHO IS THE SUBJECT OF THE DELIBERATION OR HEARING REQUESTS A PUBLIC HEARING

(A) RED RIVER GROUND WATER CONSERVATION DISTRICT (1)

TEX. GOV'T CODE § 551.076 –
DELIBERATING THE DEPLOYMENT, OR SPECIFIC OCCASIONS FOR IMPLEMENTATION, OF SECURITY PERSONNEL OR DEVICES OR A SECURITY AUDIT

TEX. GOV'T CODE § 551.087 –
DISCUSSING OR DELIBERATING COMMERCIAL OR FINANCIAL INFORMATION THAT THE CITY HAS RECEIVED FROM A BUSINESS PROSPECT THAT THE CITY SEEKS TO HAVE LOCATE, STAY OR EXPAND IN OR NEAR THE CITY AND WITH WHICH THE CITY IS CONDUCTING ECONOMIC DEVELOPMENT NEGOTIATIONS; OR DELIBERATING THE OFFER OF A FINANCIAL OR OTHER INCENTIVE TO A BUSINESS PROSPECT

TEX. GOV'T CODE § 551.089 --
DELIBERATING SECURITY ASSESSMENTS OR DEPLOYMENTS RELATING TO INFORMATION RESOURCES TECHNOLOGY, NETWORK SECURITY INFORMATION, OR THE DEPLOYMENT OR SPECIFIC OCCASIONS FOR IMPLEMENTATION OF SECURITY PERSONNEL, CRITICAL INFRASTRUCTURE OR SECURITY DEVICES

On Motion duly made and carried, the Open Meeting recessed and reconvened in Executive Session at 5:44 p.m.

On Motion duly made and carried, the Executive Session recessed at 6:06 p.m. and reconvened in Open Meeting.

OPEN MEETING **OPEN MEETING**
Reconvene into Open Meeting and take action, if any, on items discussed in Executive Session.

Council Member Steele did not return to the Council Meeting after Executive Session.

APPOINT/REMOVE OR CONSIDER QUALIFICATIONS TO BOARDS AND COMMISSIONS
RED RIVER GROUND WATER CONSERVATION DISTRICT (1) **SHERMAN HOUSING**

AUTHORITY BOARD

Motion by Council Member Melton to reappoint David Gattis to the Red River Ground Water Conservation District for a term from August 31, 2021 to August 31, 2025, as presented. Second by Council Member Stevenson.

VOTING AYE: Holland, Howeth, Melton, Stevenson, Teamann.
VOTING NAY: None.
MOTION CARRIED.

ADJOURNMENT

ADJOURNMENT

On Motion duly made and carried, the meeting adjourned at 6:08 p.m.

MAYOR

CITY CLERK

Pricing

Greater Texoma Utility Authority (City of Sherman)
Contract Revenue Bond Refunding Summary

Refunded (Old) Bonds:

	Maturities	*Amount*	*Callable*	*Avg. Coupon*	*Premium*
Contract Revs (1)	10/1/22-33	7,375,000	10/1/2021	3.66%	None
		$ 7,375,000			

Refunding (New) Bonds:

Pricing Results	*Pricing*	*Budget*
True Interest Cost (TIC)	1.33%	1.56%
Par Amount of Refunding Bonds	$ 6,365,000	$ 6,355,000
Estimated Issuance Costs	$ 127,009	$ 165,000
Maturing	10/1/22-33	10/1/22-33
Net Debt Service Reduction	$ 975,719	$ 845,877
Average Annual Debt Service Reduction (2022-34)	$ 74,845	$ 65,067
Net Present Value Savings ($)(net of issuance costs)	***$ 880,557***	***$ 761,289***
Net Present Value Savings (% of Refunded Par)	11.94%	10.32%

(1) Includes Series 2011, 2012 and 2013 Bonds.

SPECIALIZED PUBLIC FINANCE INC.
FINANCIAL ADVISORY SERVICES

SHERMAN CITY COUNCIL
Agenda Communication Form

City Council Called Meeting **B. 1.**

Meeting Date: 07/06/2021
Prepared By: Teri Fine, Assistant to the City Manager
Approved By: Robby Hefton, City Manager

Caption:

SPECIAL PRESENTATION
Recognition of Eight Small Businesses Celebrating One Year of Operation in the City of Sherman and/or One Year of Chamber of Commerce membership.

Issue:

Recognition of Eight Small Businesses Celebrating One Year of Operation in the City of Sherman and/or one year of Chamber of Commerce membership.

Background:

The following businesses are celebrating either their one year anniversary of operation within the City of Sherman and/or their membership with the Chamber of Commerce. This new recognition program is meant to recognize new Sherman businesses and encourage participation in the local business community through our Sherman Chamber of Commerce. The businesses to be recognized for this month are:

GoSendMe Global
Modular Power Solutions
Interim Healthcare of Sherman
Cedar Hollow Rehabilitation Center
Cinderella Housekeeping
Critical Access Billing Services, LLC
Sherman Evening Lions Club
Cadence Studios

Origination:

Assistant City Manager Terrence Steele
Sherman Chamber of Commerce President Eddie Brown

Financial Consideration:

None

Staff Recommendation:

To recognize the businesses celebrating one year of operation

Alternatives:

As directed by Council

SHERMAN CITY COUNCIL
Agenda Communication Form

City Council Called Meeting **D. 1.**

Meeting Date: 07/06/2021

Approved By: Robby Hefton, City Manager

Caption:

CONSENT AGENDA

Asterisked (*) items are considered to be routine and will be enacted in one motion without discussion unless a Council Member or a citizen requests a specific item be discussed and voted on separately

Issue:

F. 1. ***REQUEST TO ADVERTISE***
Setting Suns Drainage Improvements Phase II

F. 2. **** REQUEST TO ADVERTISE***
Request to Advertise for the Annual Supply of Tires for On-Road and Off-Road Fleet Equipment

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SHERMAN CITY COUNCIL
Agenda Communication Form

City Council Called Meeting **E. 1.**

Meeting Date: 07/06/2021

Prepared By: Teri Fine, Assistant to the City Manager

Approved By: Robby Hefton, City Manager

Caption:

RESOLUTION NO. 6743(TABLED AT JUNE 7, 2021 COUNCIL MEETING)
Awarding a Bid to Harkinson Management, LLC, for the Purchase and Sale of 15.260± Acres of Land in the Elizabeth Jones Survey, Abstract No. 625, City of Sherman, Grayson County, Texas, Generally Located at the Northeast Corner of the Intersection of West Travis Street and FM 1417; Authorizing Execution of Necessary Transaction Documents Related Thereto

Issue:

To consider the award of a bid and grant of a Special Warranty Deed for the sale of the City-owned real property located at the intersection of West Travis Street and FM 1417

Background:

At a regularly scheduled meeting on March 15, 2021, City Council authorized staff to advertise for public bids for the sale of approximately 15.26 acres of land located at the northeast corner of FM 1471 and West Travis Street. A public request for competitive, sealed bids resulted in one (1) submittal which was opened on May 6, 2021 for $3,655,599.08 from Harkinson Management, LLC of Addison, Texas.

At the June 7, 2021 Council meeting, the City Council gave staff direction to work through the City Attorney to develop a sales contract not using the standard Texas Real Estate Commission format and to use the City Attorney to further negotiate the final terms and conditions of the land sale closing. The City Attorney has worked with the buyer's attorney to construct the necessary legal documents for this transaction. This agenda item authorizes the City Manager to execute a contract for sale of the property and a Special Warranty Deed to convey the property to Harkinson Management.

The closing costs for this transaction are to be paid by both buyer and seller, based on customary and usual allocation of costs typically found in real estate transactions. The largest closing cost item will be the Title Policy premium of about $17,000, which will be split evenly between buyer and the City. Total closing costs to be paid by the City are expected to be $10,000 to $15,000.

Origination:

Finance Department

Financial Consideration:

The sale of this property would yield $3,655,599.08 and return the property to the tax rolls.

Staff Recommendation:

It is recommended that the City Council award the sale and authorize execution of a special warranty deed to Harkinson Management, LLC in the amount of $3,655,599.08.

Alternatives:

As may be directed by the City Council

Attachments

Resolution No. 6743
Special Warranty Deed
Purchase and Sales Agreement
Location Map

RESOLUTION NO. 6743

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AWARDING A BID TO HARKINSON MANAGEMENT, LLC, FOR THE PURCHASE AND SALE OF 15.260± ACRES OF LAND IN THE ELIZABETH JONES SURVEY, ABSTRACT NO. 625, CITY OF SHERMAN, GRAYSON COUNTY, TEXAS, GENERALLY LOCATED AT THE NORTHEAST CORNER OF THE INTERSECTION OF WEST TRAVIS STREET AND FM 1417; AUTHORIZING EXECUTION OF NECESSARY TRANSACTION DOCUMENTS RELATED THERETO; FINDING AND DETERMINING THAT THE MEETING AT WHICH THIS RESOLUTION IS PASSED WAS NOTICED AND IS OPEN TO THE PUBLIC AS REQUIRED BY LAW.

WHEREAS, the City of Sherman, Texas ("City") is the owner of a tract of land consisting of 15.260± acres located in the Elizabeth Jones Survey, Abstract No. 625, City of Sherman, Grayson County, Texas, generally located at the northeast corner of the intersection of West Travis Street and FM 1417, as more particularly described in Exhibit A attached hereto and incorporated herein for all purposes (the "Property"); and

WHEREAS, the City Council of the City of Sherman, Texas ("City Council") has investigated and determined that it is in the best interest of the City and its citizens to sell the Property; and

WHEREAS, the City Council is authorized to sell the Property pursuant to Chapter 253 and/or Chapter 272 of the Texas Local Government Code, as applicable; and

WHEREAS, the City Council solicited sealed bids for the sale of the Property in accordance with Section 272.001 of the Texas Local Government Code and complied with all other legal requirements relating thereto; and

WHEREAS, the City Council received a single bid from one offeror, and after review and consideration of the responsible bid, the City Council has determined that Harkinson Management, LLC submitted a bid that provides the best value to the City; and

WHEREAS, the City Council has investigated and determined that it is in the best interest of the City and its citizens to authorize the sale of the Property to Harkinson Management, LLC as provided herein.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS:

SECTION 1. That the findings set forth above are incorporated into the body of this Resolution as if fully set forth herein.

SECTION 2. That the City Manager be and is hereby authorized and directed, subject to all legal documents being properly completed and approved as to form and content by the City

Attorney, to execute the Special Warranty Deed attached hereto as Exhibit A and to take all action necessary to sale and convey the Property to Harkinson Management, LLC.

SECTION 3. That it is hereby officially found and determined that the meeting at which this resolution is passed is open to the public and that public notice of the time, place, and purpose of said meeting was given as required by law.

DULY PASSED AND APPROVED BY THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, on this the _____ day of _____, 2021.

CITY OF SHERMAN, TEXAS

ATTEST:

BY: _____
LINDA ASHBY, CITY CLERK

BY: _____
DAVID PLYLER, MAYOR

APPROVED AS TO FORM AND CONTENT:
THE LAW FIRM OF ABERNATHY, ROEDER, BOYD & HULLETT, P.C.

BY: _____
RYAN D. PITTMAN, CITY ATTORNEY

Exhibit A
Special Warranty Deed

NOTICE OF CONFIDENTIALITY RIGHTS: IF YOU ARE A NATURAL PERSON, YOU MAY REMOVE OR STRIKE ANY OR ALL OF THE FOLLOWING INFORMATION FROM ANY INSTRUMENT THAT TRANSFERS AN INTEREST IN REAL PROPERTY BEFORE IT IS FILED FOR RECORD IN THE PUBLIC RECORDS: YOUR SOCIAL SECURITY NUMBER OR YOUR DRIVER'S LICENSE NUMBER.

SPECIAL WARRANTY DEED

STATE OF TEXAS §
§ KNOW ALL MEN BY THESE PRESENTS:
COUNTY OF GRAYSON §

THAT CITY OF SHERMAN, TEXAS, a home-rule municipality ("Grantor"), for and in consideration of the sum of Ten Dollars ($10.00) and other good and valuable consideration to Grantor in hand paid by the HARKINSON MANAGEMENT, LLC, a Texas limited liability company ("Grantee"), the receipt and sufficiency of which is hereby acknowledged by Grantor, has GRANTED, SOLD AND CONVEYED, and by these presents does hereby GRANT, SELL AND CONVEY unto Grantee that certain real property more particularly described on Exhibit A attached hereto and incorporated herein (the "Land"), together with all and singular, the rights and appurtenances pertaining to the Land, including any right, title and interest of Grantor in and to adjacent streets, alleys or rights-of-way, and including all of Grantor's rights to all oil, gas and other minerals in and under the Land, if any, together with any improvements, fixtures, and personal property situated on and attached to the Land (collectively, the "Property").

This conveyance is made by the Grantor and accepted by the Grantee subject to the validly existing and enforceable rights, interests, estates, rights-of-way, easements, encumbrances and other matters presently recorded in Grayson County, Texas, and to all matters that would be revealed by a current survey of the Property (collectively, the "Permitted Exceptions").

By acceptance of this Deed, Grantee hereby agrees and acknowledges that:

EXCEPT AS EXPRESSLY SET FORTH HEREIN, IT IS UNDERSTOOD AND AGREED THAT THE PROPERTY IS BEING SOLD AND CONVEYED HEREUNDER "AS IS" WITH ANY AND ALL FAULTS AND LATENT AND PATENT DEFECTS WITHOUT ANY EXPRESS OR IMPLIED REPRESENTATION OR WARRANTY BY GRANTOR. GRANTOR HAS NOT MADE AND DOES NOT HEREBY MAKE AND HEREBY SPECIFICALLY DISCLAIMS (EXCEPT AS EXPRESSLY SET FORTH HEREIN) ANY REPRESENTATIONS OR WARRANTIES OF ANY KIND OR CHARACTER WHATSOEVER, EXPRESS OR IMPLIED, ARISING BY OPERATION OF LAW OR OTHERWISE, WITH RESPECT TO THE PROPERTY (OTHER THAN GRANTOR'S SPECIAL WARRANTY OF TITLE CONTAINED HEREIN), INCLUDING, WITHOUT LIMITATION ANY REPRESENTATION OR WARRANTY RELATING TO: (I) THE USE, INCOME POTENTIAL, EXPENSES, MAINTENANCE, OPERATION, CHARACTERISTICS, ZONING OR CONDITION OF THE PROPERTY OR ANY PORTION THEREOF, INCLUDING, WITHOUT LIMITATION, WARRANTIES OF SUITABILITY, TENANTABILITY, HABITABILITY, MERCHANTABILITY, DESIGN OR FITNESS FOR ANY SPECIFIC PURPOSE OR A PARTICULAR PURPOSE; (II) THE NATURE, MANNER

OR CONDITION OF THE PROPERTY, ON THE SURFACE OR SUBSURFACE THEREOF, WHETHER OR NOT OBVIOUS, VISIBLE OR APPARENT; (III) THE ENVIRONMENTAL CONDITION OF THE PROPERTY AND THE PRESENCE OR ABSENCE OF OR CONTAMINATION BY HAZARDOUS MATERIALS OR THE COMPLIANCE OF THE PROPERTY WITH ANY APPLICABLE REGULATIONS OR LAWS INCLUDING WITHOUT LIMITATION THOSE REGULATIONS OR LAWS PERTAINING TO HEALTH, SAFETY OR THE ENVIRONMENT AND (IV) THE SOIL CONDITIONS, DRAINAGE, GROUNDWATER CONDITION, FLOODING CHARACTERISTICS, UTILITIES OR OTHER CONDITIONS EXISTING IN, ON OR UNDER THE PROPERTY.

GRANTEE ACKNOWLEDGES AND AGREES THAT IT IS ACCEPTING THIS DEED WITHOUT RELYING (EXCEPT AS EXPRESSLY SET FORTH HEREIN) UPON ANY SUCH REPRESENTATION, WARRANTY, STATEMENT OR OTHER ASSERTION, ORAL OR WRITTEN, MADE BY GRANTOR OR ANY REPRESENTATIVE OF GRANTOR OR ANY OTHER PERSON ACTING OR PURPORTING TO ACT FOR OR ON BEHALF OF GRANTOR WITH RESPECT TO THE PROPERTY. GRANTEE ACKNOWLEDGES AND AGREES THAT GRANTEE IS EXPERIENCED IN THE OWNERSHIP AND OPERATION OF PROPERTIES SIMILAR TO THE PROPERTY AND THAT GRANTEE PRIOR TO THE CLOSING DATE WILL HAVE INSPECTED THE PROPERTY TO GRANTEE'S SATISFACTION AND GRANTEE IS QUALIFIED TO MAKE SUCH INSPECTION. GRANTEE ACKNOWLEDGES THAT, EXCEPT AS EXPRESSLY SET FORTH HEREIN, IT IS SOLELY RELYING ON GRANTEE'S (OR GRANTEE'S REPRESENTATIVES') INSPECTION, EXAMINATION AND EVALUATION OF THE PROPERTY. GRANTEE ACKNOWLEDGES THAT, EXCEPT AS EXPRESSLY SET FORTH HEREIN, GRANTEE HAS (OR GRANTEE'S REPRESENTATIVES HAVE), OR PRIOR TO THE CLOSING DATE WILL HAVE, THOROUGHLY INSPECTED AND EXAMINED THE PROPERTY TO THE EXTENT DEEMED NECESSARY BY GRANTEE IN ORDER TO ENABLE GRANTEE TO EVALUATE THE CONDITION OF THE PROPERTY AND ALL OTHER ASPECTS OF THE PROPERTY (INCLUDING, BUT NOT LIMITED TO, THE ENVIRONMENTAL CONDITION OF THE PROPERTY), AND GRANTEE ACKNOWLEDGES THAT, EXCEPT AS EXPRESSLY SET FORTH HEREIN, GRANTEE IS RELYING SOLELY UPON ITS OWN (OR ITS REPRESENTATIVES') INSPECTION, EXAMINATION AND EVALUATION OF THE PROPERTY. EXCEPT AS EXPRESSLY SET FORTH HEREIN, GRANTEE REPRESENTS THAT IT SHALL INSPECT THE PROPERTY AND SHALL RELY SOLELY ON ITS OWN INVESTIGATION OF THE PROPERTY TO DETERMINE THE CONDITION OF THE PROPERTY AND NOT ON ANY INFORMATION PROVIDED OR TO BE PROVIDED BY GRANTOR. GRANTEE FURTHER ACKNOWLEDGES AND AGREES THAT THE PROVISIONS OF THIS PARAGRAPH WERE A MATERIAL FACTOR IN GRANTOR'S DETERMINATION OF THE CONSIDERATION FOR THE TRANSFER OF THE PROPERTY TO GRANTEE.

GRANTEE, ON BEHALF OF GRANTEE AND GRANTEE'S SUCCESSORS AND ASSIGNS (COLLECTIVELY, "GRANTEE PARTIES") AND ANYONE CLAIMING BY, THROUGH OR UNDER GRANTEE, EXCEPT AS EXPRESSLY SET FORTH HEREIN, HEREBY FULLY, UNCONDITIONALLY AND IRREVOCABLY RELEASES GRANTOR AND GRANTOR'S EMPLOYEES, OFFICERS, DIRECTORS, REPRESENTATIVES, AGENTS, SERVANTS,

ATTORNEYS, SUCCESSORS AND ASSIGNS, AND ALL PERSONS, FIRMS, CORPORATIONS AND ORGANIZATIONS ACTING ON THE BEHALF OF EACH OF THE FOREGOING (COLLECTIVELY, THE "GRANTOR PARTIES") FROM ANY AND ALL CLAIMS, COUNTERCLAIMS, COSTS, LOSSES, LIABILITIES, OBLIGATIONS, LEGAL OR ADMINISTRATIVE ORDERS OR PROCEEDINGS, DAMAGES, PUNITIVE DAMAGES, EXPENSES, PENALTIES, FINES, DEMANDS, ACTIONS OR CAUSES OF ACTION AND JUDGMENTS (COLLECTIVELY, "CLAIMS") THAT GRANTEE, ANY GRANTEE PARTY OR ANYONE CLAIMING BY, THROUGH OR UNDER GRANTEE MAY NOW HAVE OR HEREAFTER ACQUIRE AGAINST ANY GRANTOR PARTY (INCLUDING AS A RESULT OF A GRANTOR PARTIES' NEGLIGENCE OR STRICT LIABILITY) ARISING FROM OR RELATED TO ANY CONSTRUCTION DEFECTS, ERRORS, OMISSIONS OR OTHER CONDITIONS, WHETHER GEOTECHNICAL, SEISMIC OR OTHERWISE, AFFECTING THE PROPERTY OR ANY PORTION THEREOF, EXCEPT TO THE EXTENT CAUSED BY GRANTOR'S GROSS NEGLIGENCE OR WILLFUL MISCONDUCT.

THE PROVISIONS OF THE ABOVE PARAGRAPHS WERE BARGAINED FOR BY THE PARTIES AND IF GRANTEE REQUIRED GRANTOR EITHER (A) TO MAKE ANY REPRESENTATIONS OR WARRANTIES ABOUT THE CONDITION OF THE PROPERTY OTHER THAN THOSE EXPRESSLY SET FORTH HEREIN OR (B) TO MAKE REPAIRS, ALTERATIONS OR IMPROVEMENTS WITH RESPECT TO SAID CONDITION, THE SALES PRICE AND OTHER TERMS OF THE TRANSACTION WOULD HAVE BEEN MATERIALLY DIFFERENT.

TO HAVE AND TO HOLD the above described premises, together with all and singular the rights and appurtenances thereof in anywise belonging unto Grantee, its successors and assigns forever, and Grantor does hereby bind itself, its successors and assigns to WARRANT AND FOREVER DEFEND, all and singular such premises unto Grantee, its successors and assigns, against every person whomsoever lawfully claiming or to claim the same or any part thereof, by, through, or under the Grantor, but not otherwise, subject, however, to the Permitted Exceptions.

[*Signature page follows*]

IN WITNESS WHEREOF, Grantor has executed this Special Warranty Deed to be effective as of the _____ day of _____, 2021.

GRANTOR:

CITY OF SHERMAN, TEXAS,
a home-rule municipality

By: _____
Name: _____
Its: _____

STATE OF TEXAS §
§
COUNTY OF SHERMAN §

BEFORE ME, the undersigned authority, a Notary Public, on this day personally appeared Robby Hefton, the City Manager of CITY OF SHERMAN, TEXAS, known to me to be the person whose name is subscribed to the foregoing instrument, and who acknowledged to me that he executed the same for the purposes and consideration therein expressed, as the act and deed of said municipality.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this ____ day of _____, 2021.

_____
Notary Public in and for the State of Texas

My Commission Expires:

_____

After Recording Return to:
Abernathy, Roeder, Boyd & Hullett, P.C.
1700 Redbud Boulevard, Suite 300
McKinney, Texas 75069
Attention: Ryan D. Pittman

EXHIBIT A
Legal Description of the Property

All that certain tract or parcel of land situated in the Elizabeth Jones Survey, Abstract Number 625, City of Sherman, County of Grayson, State of Texas, said tract being all of a tract as described in Deed to City of Sherman, filed 12 May 2017, and Recorded in Volume 5998 Page 353 of the Deed Records of the County of Grayson, State of Texas, and being more fully described as follows:

Beginning for the Northeast corner of the tract being described herein at a found ½ inch Steel Rebar, said rebar being the northeast corner of said City of Sherman tract, and the northwest corner of a tract as described in Deed to Sherman Independent School District, filed 12 May 2017, Instrument Number 2017-10143 of said Deed Records, said rebar also being on the south Right-of-Way line of Steeplechase Drive;

Thence: South 22 degrees 21 minutes 06 seconds East, with the east line of said City of Sherman tract, and the west line of said School tract, a distance of 1682.19 feet to a set "X" in concrete for the southeast corner of this tract, and being on the north line of West Travis Street;

Thence: South 74 degrees 15 minutes 54 seconds West, a distance of 261.40 feet to a set ½ inch Steel Square Tubing for a corner of this tract, and being on the east Right of Way line of Farm-to-Market Road 1417;

Thence: With the east ROW line of FM 1417, the following 3 (Three) calls;

1. North 68 degrees 49 minutes 56 seconds West, a distance of 153.58 feet to a set ½ inch Steel Square Tubing;
2. North 26 degrees 29 minutes 34 seconds West, a distance of 617.44 feet to a found State of Texas Concrete Right-of-Way Monument, and being the start of a curve to the right whose radius is 2800.00 feet and chord bearing of North 15 degrees 50 minutes 07 seconds West, a chord distance of 1032.92 feet;
3. With said curve to the right, an Arc Length of 1038.87 feet to a set ½ inch Steel Square Tubing for the end of this curve and on the south Right-of-Way line of Steeplechase Drive;

Thence: North 85 degrees 26 minutes 27 seconds East, with the south ROW line of said Steeplechase Drive, a distance of 313.38 feet to the POINT OF BEGINNING and containing 15.260 acres of land.

PURCHASE AND SALE AGREEMENT

+/- 15.260 acres, City of Sherman, Grayson County, Texas

THIS PURCHASE AND SALE AGREEMENT (this "Agreement") is made and entered into between **THE CITY OF SHERMAN, TEXAS**, a home-rule municipality (the "Seller") and **HARKINSON MANAGEMENT, LLC**, a Texas limited liability company ("Purchaser").

RECITALS

WHEREAS, defined terms are indicated by initial capital letters. Defined terms shall have the meaning set forth herein, whether or not such terms are used before or after the definitions are set forth.

WHEREAS, Purchaser desires to purchase the Property and Seller desires to sell the Property, all upon the terms and conditions set forth in this Agreement.

NOW, THEREFORE, in consideration of the mutual terms, provisions, covenants and agreements set forth herein, as well as the sums to be paid by Purchaser to Seller, and for other good and valuable consideration, the receipt and sufficiency of which are acknowledged, Purchaser and Seller agree as follows:

ARTICLE 1
BASIC INFORMATION

Section 1.1 Certain Defined Terms

The following defined terms shall have the meanings set forth below:

A. City. The City of Sherman, Texas.

B. Closing. The completion of the transaction described in this Agreement.

C. Closing Date. The date that Closing shall occur as mutually agreed to between Purchaser and Seller that shall be no later than sixty (60) days after the Effective Date of this contract.

D. Cure Period. The period beginning on the date Seller receives Purchaser's Objections and ending on the date that is fifteen (15) days thereafter.

E. Due Diligence Delivery Date. The date that is ten (10) days after the Effective Date.

F. Earnest Money. THREE HUNDRED SIXTY FIVE THOUSAND SIX HUNDRED FIFTY NINE AND 91/100 DOLLARS ($365,659.91).

G. Effective Date. The date on which the fully executed Agreement along with the Earnest Money is receipted by the Title Company, as shown on the Title Company Acceptance Page.

H. Purchase Price. THREE MILLION SIX HUNDRED FIFTY SIX THOUSAND FIVE HUNDRED NINETY NINE AND 08/100 DOLLARS ($3,656,599.08).

I. Review Period. The period ending ten (10) days after Purchaser's receipt of the later of the (i) initial Title Commitment, (ii) Title Documents, and (iii) the Survey.

J. Title Commitment Delivery Date. The date that is ten (10) days after the Effective Date.

K. Title Company. Allegiance Title Company.

L. Title Termination Period. The period beginning on the expiration of the Cure Period and ending on the date that is five (5) days after the Cure Period.

Section 1.2 Closing Costs

Closing costs shall be allocated and paid as follows:

COST	RESPONSIBLE PARTY
Premium for standard form Title Policy	Evenly split between Purchaser and Seller
Premium for endorsements or additional coverage for the Title Policy	Purchaser
Recording Fees	Purchaser
Financing expenses for Purchaser's loan, if any	Purchaser
Escrow Fee charged by Title Company	Evenly split between Purchaser and Seller
All other Closing costs, expenses, charges and fees customarily paid by purchasers in Grayson County	Purchaser
All other Closing costs, expenses, charges and fees customarily paid by sellers in Grayson County	Seller

Section 1.3 Notice Addresses

Seller: City of Sherman
Attn: Robby Hefton, City Manager
220 Mulberry Street
Sherman, Texas 75454
Telephone: 903-819-7452
Email: robbyh@cityofsherman.com

with copy to: Abernathy, Roeder, Boyd & Hullett, P.C.
Attn: Ryan D. Pittman
1700 Redbud Boulevard, Suite 300
McKinney, Texas 75069
Telephone: 214-544-4000
Email: rpittman@abernathy-law.com

Purchaser: Harkinson Management, LLC
Attn: William J. Harkinson
4560 Belt Line Road, Suite 400
Addison, Texas 75001
Email: jharkinson@harkcorp.com

with copy to: Addison Wilson III
3838 Oak Lawn Ave., Suite 810
Dallas, Texas 75219
Telephone: 214-521-1122
awilson@dfwlawoffice.org

Title Company: Allegiance Title Company
Attn: Shelley Lancaster
3838 Oak Lawn Ave, Suite 810
Dallas, TX 75219
Telephone: 214-521-1122
Email: slancaster@allegiancetitle.com

ARTICLE 2
PROPERTY

Section 2.1 Property Description

Upon the terms and conditions hereinafter stated, Seller hereby agrees to sell and convey to Purchaser the following (collectively, the "Property"):

A. Land. Good and indefeasible title to approximately 15.260± acres of land generally located in the City of Sherman, Texas at the northeast corner of West Travis Street and FM 1417 in the Elizabeth Jones Survey, Abstract No. 625 (the "Land"), together with all benefits, privileges, easements, tenements, hereditaments, rights and appurtenances thereon or pertaining to such Land, as more specifically set forth herein on **Exhibit "A"** and as depicted on **Exhibit "A-1"**, attached hereto and incorporated herein by this reference.

B. Improvements. All buildings, structures, fixtures, and improvements situated on, in, or under the Land, if any ("Improvements"); all benefits, privileges, tenements, hereditaments, rights and appurtenances thereon or pertaining to the Improvements and all easements owned by

Seller, if any, which are used or needed in connection with the operation or development of the Land (the Land and the Improvements are herein referenced as the "Real Property").

C. Personal Property. All of Seller's right, title, and interest in any personal property owned by Seller, if any, as of the Closing Date that is attached to or located on and used exclusively in connection with the operation, repair, or maintenance of the Real Property, including but not limited to all fixtures, fittings, appliances, apparatuses, equipment, tools, machinery, heating, ventilating, air-conditioning, lighting, plumbing, and electrical fixtures, hot-water heaters, furnaces, heating controls, Agreement rights, claims, systems, and other items of tangible and intangible personal property and replacements, affixed or attached to, situated on, or used exclusively in connection with the Real Property (collectively, "Personal Property").

D. Licenses and Permits. To the extent assignable by Seller to Purchaser, and to the extent any of the following exist and run with the Real Property, all of Seller's right, title, and interest in and to (i) licenses, permits, certificates of occupancy, or similar documents relating to the Real Property and Personal Property; (ii) all permits, approvals, licenses, water and sewer capacity commitments, all engineering and architectural plans; and (iii) all plans, drawings, specifications, surveys, engineering reports, and other technical descriptions of the Real Property and/or Personal Property (collectively, "Licenses and Permits").

Section 2.2 Legal Description

The legal description of the Land set forth in the final Survey certified to the Purchaser and Title Company shall be substituted for **Exhibit "A"** to the extent there is any change as the description of the Property to be conveyed hereunder and shall become part of this Agreement.

ARTICLE 3
PURCHASE PRICE

Purchaser agrees to purchase the Property at the Purchase Price and upon the terms set forth herein. At Closing, Purchaser shall deliver to Seller the Purchase Price in cash or other immediate funds.

ARTICLE 4
EARNEST MONEY

As of the Effective Date, Purchaser has delivered the Earnest Money in the form of a cashiers check bid deposit. The Earnest Money shall be credited to the Purchase Price at Closing.

ARTICLE 5
DUE DILIGENCE AND CONTINGENCIES

Section 5.1 Survey and Title Review

A. Survey. As of the Effective Date, Seller has provided Purchaser with a copy of its existing survey of the Real Property, being that certain survey prepared by David K. Cox dated March 23, 2021 (the "Survey"). Prior to the Closing Date, Seller will certify the Survey to

Purchaser, the Title Company and such other parties as Purchaser shall designate by written notice to Seller.

B. Title Commitment. On or before the Title Commitment Delivery Date, Seller shall deliver or cause to be delivered to Purchaser (i) a title commitment (the "Title Commitment") covering the Property binding the Title Company to issue a Texas Owner Policy of Title Insurance (the "Title Policy") on the standard form prescribed by the Texas State Board of Insurance at the Closing, in the full amount of the Purchase Price, insuring Purchaser's fee simple title to the Property to be good and indefeasible, subject to the validly existing and enforceable rights, interests, estates, rights-of-way, easements, encumbrances and other matters presently recorded in Grayson County, Texas, and to all matters that would be revealed by a current survey of the Property (collectively, the "Permitted Exceptions").

C. Review and Cure Period. During the Review Period, Purchaser shall have the opportunity to review the Survey, the Title Commitment, and the Title Documents. If Purchaser has any objections to the Survey, Title Commitment or Title Documents, Purchaser may deliver such objections to Seller in writing within the Review Period (collectively, "Objections"). Purchaser's failure to provide Objections to Seller prior to the expiration of the Review Period shall be a waiver of Purchaser's right to object, and any item to which Purchaser does not include in its Objections on or before to the expiration of the Review Period shall also be deemed a "Permitted Exception." Items that the Title Company identifies as to be released at Closing will be deemed Objections by Purchaser and shall not be Permitted Exceptions. If Purchaser provides Seller with any Objections, Seller may, but is not obligated to attempt to satisfy the Objections within the Cure Period.

D. Failure or Refusal to Cure. If Seller cannot satisfy or chooses not to satisfy Purchaser's Objections within the Cure Period, then Purchaser may terminate this Agreement by delivering a written notice to Seller within the Title Termination Period. If Purchaser terminates this Agreement, the Earnest Money shall be immediately returned to Purchaser and thereafter neither party shall have any rights or obligations under this Agreement (except for those which may expressly survive the termination of this Agreement). If Purchaser does not terminate this Agreement, then Purchaser shall be deemed to have waived any uncured Objections, except for those Objections Seller has agreed to cure, and must accept such title as Seller is able to convey as of Closing, subject to the other terms and provisions of this Agreement.

Section 5.2 Due Diligence

On or prior to the Due Diligence Delivery Date, Seller shall deliver to Purchaser copies of all environmental assessments, geotechnical reports, studies, current utility capacity letters from the Property's water and sewer service provider to the extent any of the foregoing are in Seller's possession or control. Notwithstanding Seller's delivery of the above described studies, tests and other due diligence material, if any, Purchaser acknowledges that any information of any type which Purchaser has received or may receive from Seller, or its agents, is furnished to Purchaser as a courtesy only and on the express condition that Purchaser shall make an independent verification of the accuracy of such information, and that all such information is being furnished without any representation or warranty by Seller as to the truth, accuracy, or completeness of such information; provided, however, that Seller confirms that Seller has no current actual knowledge

of any material inaccuracies or errors in any such due diligence materials. Further, as a condition to Seller's delivery of any due diligence materials to Purchaser, Purchaser expressly acknowledges the foregoing in its acceptance of such due diligence items from Seller, and agrees to waive any and all claims against Seller for any cause of action arising from Purchaser's reliance on such Seller furnished due diligence materials. If the Agreement is terminated prior to Closing for any reason, Purchaser shall return to Seller all due diligence items provided to Purchaser by Seller as set forth herein, and delete or destroy all copies of the same in Purchaser's possession.

Section 5.3 Indemnification for Inspection

Seller hereby grants to Purchaser the right after the Effective Date and prior to the Closing Date to enter upon the Property to the extent Purchaser deems necessary. PURCHASER SHALL INDEMNIFY, DEFEND, AND HOLD HARMLESS SELLER FROM ALL CLAIMS, ACTIONS OR CAUSES OF ACTION WHICH MIGHT OCCUR BY VIRTUE OF THE ENTRY UPON THE PROPERTY AND PROVIDED FURTHER THAT IN THE EVENT PURCHASER DOES NOT RETURN THE PROPERTY TO ITS CONDITION PRIOR TO PURCHASER'S ACTIVITIES, PURCHASER SHALL BE RESPONSIBLE FOR ALL DAMAGES OCCASIONED TO THE PROPERTY ARISING OUT OF THE ENTRY UPON OR TESTING OF THE PROPERTY, AND THIS INDEMNITY AND COVENANT WILL SURVIVE THE CLOSING OR TERMINATION OF THIS AGREEMENT FOR A PERIOD OF TWELVE (12) MONTHS.

ARTICLE 6
REPRESENTATIONS AND WARRANTIES

Section 6.1 Seller's Representation and Warranties

Seller represents and warrants to Purchaser as of the Effective Date and as of the Closing as follows:

A. Title. Seller has the right to convey and will convey to Purchaser good and indefeasible fee simple title to the Property free and clear of any and all liens, assessments, unrecorded easements, security interests and other encumbrances except only to the Permitted Exceptions.

B. Licenses. There are no parties in possession of any portion of the Property as licensees, tenants at sufferance or trespassers except for those disclosed, and delivered to Seller as part of the due diligence materials.

C. Negative Covenants. Seller shall not further encumber any of the Property or allow an encumbrance upon the title to any of the Property without the written consent of Purchaser.

D. Liens and Debts. There are no mechanic's liens, Uniform Commercial Code liens or unrecorded liens against the Property, and Seller shall not allow any such liens to attach to the Property prior to Closing, which will not be satisfied out of the Closing proceeds.

E. Litigation. To Seller's knowledge, there is no pending or threatened litigation, condemnation, or assessment affecting any of the Property. Seller shall promptly advise Purchaser of any litigation, condemnation or assessment affecting any of Property which is threatened or instituted after the Effective Date.

F. Patriot Act. To the extent applicable to Seller, Seller has complied in all material respects with the International Money Laundering Abatement and Anti-Terrorist Financing Act of 2001, which comprises Title III of the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001 (the "Patriot Act") and the regulations promulgated thereunder, and the rules and regulations administered by the U.S. Treasury Department's Office of Foreign Assets Control ("OFAC"), to the extent such laws are applicable to Seller. To the best of Seller's knowledge, Seller is not included on the List of Specially Designated Nationals and Blocked Persons maintained by the OFAC, or is a resident in, or organized or chartered under the laws of, (i) a jurisdiction that has been designated by the U.S. Secretary of the Treasury under Section 311 or 312 of the Patriot Act as warranting special measures due to money laundering concerns or (ii) any foreign country that has been designated as non-cooperative with international anti-money laundering principles or procedures by an intergovernmental group or organization, such as the Financial Action Task Force on Money Laundering, of which the United States is a member and with which designation the United States representative to the group or organization continues to concur.

G. Organization and Authority. Seller is a home-rule municipality validly existing under the laws of the State of Texas. The execution and delivery of this Agreement by those executing this Agreement on Seller's behalf and Seller's performance of this Agreement has been duly authorized by Seller, and this Agreement is binding on Seller and enforceable against Seller in accordance with its terms. The execution of this Agreement and the consummation of the transaction contemplated herein will not violate any restriction, court order or agreement to which Seller or the Property is subject.

H. Compliance with Laws. To the best of Seller's current actual knowledge, neither the Property, nor Seller are currently subject to (i) any existing, pending or threatened investigation or inquiry by any governmental authority or (ii) any remedial obligations, under any applicable law, statute, ordinance, rule, regulation, order or determination of any governmental authority or any board of fire underwriters (or other body exercising similar functions), or any restrictive covenant or deed restriction or zoning ordinance or classification affecting the Property, including, without limitation, all applicable building codes, fire codes, health codes, water codes, flood disaster laws and health and Environmental Laws and regulations (hereinafter sometimes collectively called the "Applicable Laws"). Seller has received no notice from any municipal, state, federal or other governmental authority of any violation of any Applicable Laws issued in respect of the Property which has not been heretofore corrected, and no such violation exists.

I. "AS IS". EXCEPT AS EXPRESSLY PROVIDED HEREIN, IT IS UNDERSTOOD AND AGREED THAT SELLER IS NOT MAKING ANY WARRANTIES OR REPRESENTATIONS OF ANY KIND OR CHARACTER, EXPRESS OR IMPLIED, WITH RESPECT TO THE PROPERTY, INCLUDING, BUT NOT LIMITED TO, WARRANTIES OR REPRESENTATIONS AS TO MATTERS OF TITLE (OTHER THAN SELLER'S WARRANTY OF TITLE SET FORTH IN THE DEED TO BE DELIVERED

AT CLOSING), ZONING, TAX CONSEQUENCES, PHYSICAL OR ENVIRONMENTAL CONDITION, ABSENCE OF LATENT DEFECTS, OPERATING HISTORY OR PROJECTIONS, VALUATION, GOVERNMENTAL APPROVALS, GOVERNMENTAL REGULATIONS OR ANY OTHER MATTER OR THING RELATING TO OR AFFECTING THE PROPERTY. EXCEPT AS EXPRESSLY PROVIDED HEREIN, PURCHASER AGREES THAT WITH RESPECT TO THE PROPERTY, PURCHASER HAS NOT RELIED UPON AND WILL NOT RELY UPON, EITHER DIRECTLY OR INDIRECTLY, ANY REPRESENTATION OR WARRANTY OF SELLER OR SELLER'S REPRESENTATIVES. PURCHASER WILL CONDUCT SUCH INSPECTIONS AND INVESTIGATIONS OF THE PROPERTY, INCLUDING, BUT NOT LIMITED TO, THE PHYSICAL AND ENVIRONMENTAL CONDITIONS THEREOF, AND RELY UPON SAME, AND, UPON CLOSING, SHALL ASSUME THE RISK THAT ADVERSE MATTERS, INCLUDING, BUT NOT LIMITED TO, LATENT DEFECTS AND ADVERSE PHYSICAL AND ENVIRONMENTAL CONDITIONS, MAY NOT HAVE BEEN REVEALED BY PURCHASER'S INSPECTIONS AND INVESTIGATIONS. EXCEPT AS EXPRESSLY PROVIDED HEREIN, PURCHASER AGREES TO TAKE WHATEVER ACTION AND PERFORM WHATEVER INVESTIGATIONS AND STUDIES PURCHASER DEEMS NECESSARY TO SATISFY ITSELF AS TO THE CONDITION OF THE PROPERTY AND THE EXISTENCE OR NONEXISTENCE OF, OR CURATIVE ACTION TO BE TAKEN WITH RESPECT TO, ANY HAZARDOUS AND/OR TOXIC SUBSTANCES ON OR DISCHARGED FROM THE PROPERTY. PURCHASER ACKNOWLEDGES AND AGREES THAT UPON CLOSING SELLER SHALL SELL AND CONVEY TO PURCHASER AND PURCHASER SHALL ACCEPT THE PROPERTY "AS IS, WHERE IS", WITH ALL FAULTS AND THERE ARE NO ORAL OR WRITTEN AGREEMENTS, WARRANTIES OR REPRESENTATIONS, COLLATERAL TO OR AFFECTING THE PROPERTY BY SELLER OR ANY THIRD PARTY. FURTHER, PURCHASER HEREBY ACKNOWLEDGES TO SELLER THAT PURCHASER AND SELLER ARE NOT IN A SIGNIFICANTLY DISPARATE BARGAINING POSITION. THE TERMS AND CONDITIONS OF THIS PARAGRAPH SHALL EXPRESSLY SURVIVE THE CLOSING AND SHALL NOT BE MERGED THEREIN.

Section 6.2 Seller's Knowledge

For purposes of this Agreement and any closing document, whenever the phrase "to Seller's actual knowledge," "to Seller's knowledge," "the knowledge of Seller," or "to the best of Seller's knowledge" or similar words of similar import are used, they shall be deemed to refer to facts within the actual knowledge of the City Manager of the City at the times indicated only, without independent inquiry, without any actual or implied duty of inquiry whatsoever and without imputation to such person of the knowledge of any other person. Such individuals are acting for and on behalf of Seller and in a capacity as a representative of Seller and is in no manner expressly or impliedly making any representations or warranties in an individual capacity. Purchaser waives any right to sue or seek any personal judgment or claim against such individuals.

Section 6.3 Purchaser's Representations and Warranties

Purchaser represents and warrants to Seller as of the Effective Date and as of the Closing as follows:

A. Organization and Authority. Purchaser is a limited liability company duly organized and validly existing under the laws of the State of Texas. The execution and delivery of this Agreement by the officer(s) executing this Agreement on behalf of Purchaser and the performance of this Agreement by Purchaser have been duly authorized by Purchaser, and this Agreement is binding on Purchaser and enforceable against Purchaser in accordance with its terms. No consent or waiver of any restriction against any such execution, delivery and performance is required from any creditor, judicial or administrative body, governmental authority, or other party other than any such consent or waiver, which already has been given. The execution of this Agreement and the consummation of the transaction contemplated herein will not violate any restriction, court order or agreement to which Purchaser is subject. If Purchaser assigns this Contract to an allowed third party, such entity shall be duly organized, validly existing and in good standing under the laws of the State of Texas and have all the requisite power and authority to enter into, deliver and perform this Contract.

B. Litigation. To Purchaser's knowledge, there is no pending or threatened litigation, condemnation, or assessment affecting any of the Property. Purchaser shall promptly advise Seller of any litigation affecting Purchaser and its ability to consummate the transaction contemplated herein which is threatened or instituted after the Effective Date.

C. Patriot Act. To the extent applicable to Purchaser, Purchaser has complied in all material respects with the International Money Laundering Abatement and Anti-Terrorist Financing Act of 2001, which comprises Title III of the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001 (the "Patriot Act") and the regulations promulgated thereunder, and the rules and regulations administered by the U.S. Treasury Department's Office of Foreign Assets Control ("OFAC"), to the extent such laws are applicable to Purchaser. To the best of Purchaser's knowledge, Purchaser is not included on the List of Specially Designated Nationals and Blocked Persons maintained by the OFAC, or is a resident in, or organized or chartered under the laws of, (i) a jurisdiction that has been designated by the U.S. Secretary of the Treasury under Section 311 or 312 of the Patriot Act as warranting special measures due to money laundering concerns or (ii) any foreign country that has been designated as non-cooperative with international anti-money laundering principles or procedures by an intergovernmental group or organization, such as the Financial Action Task Force on Money Laundering, of which the United States is a member and with which designation the United States representative to the group or organization continues to concur.

D. No Prohibitions. Neither Purchaser, nor any employee executing this Agreement on behalf of Purchaser is prohibited from (i) executing or delivering this Agreement; (ii) complying with the terms of this Agreement or (iii) consummating the transactions contemplated by this Agreement by any applicable governmental requirement, agreement, instrument, restriction, or by a judgment, order or decree of any governmental authority having jurisdiction over Purchaser.

Section 6.4 Remedies

If either party discovers prior to Closing that any of the other party's representations or warranties have been misrepresented or are inaccurate, such discovering party may notify the party with deficient representations and/or warranties in writing, and the deficient party may attempt to correct or remedy the misrepresentation or inaccuracy. If the misrepresentation or inaccuracy is not remedied prior to Closing, upon written notice to the deficient party, the discovering party may: (i) proceed to Closing without waiving any claim for breach of warranty or misrepresentation; (ii) delay Closing until ten (10) days after the misrepresentation or inaccuracy is remedied; or (iii) exercise any remedies available for default by the deficient party under this Agreement. The Parties agree that neither party will incur liability or damages pursuant to this section for any claim or cause of action asserted more than six (6) months after the date of the Closing.

Section 6.5 Non-Conformance

Purchaser has or will independently investigate and verify to Purchaser's satisfaction the extent of any limitations or permitted uses of the Property. Purchaser acknowledges that the current use of the Property or any improvements located on the Property (or both) may not conform to applicable Federal, State or municipal laws, ordinances, codes or regulations. Zoning, permitted uses, height limitations, setback requirements, minimum parking requirements, limitations on coverage of improvements to total area of land, requirements of the Americans with Disabilities Act, wetlands restrictions and other matters may have a significant economic impact upon Purchaser's intended use of the Property. Purchaser is not relying upon any warranties or representations of Seller concerning the permitted uses of the Property or with respect to any nonconformance of the Property.

ARTICLE 7
CLOSING

Section 7.1 Closing Date

The Closing shall occur on or before the Closing Date. Seller shall deliver possession of the Property at Closing.

Section 7.2 Seller's Closing Documents

At the Closing, Seller shall deliver the following to Purchaser:

A. A duly executed Special Warranty Deed (the "Deed"), in the form attached hereto as **Exhibit "B"**, conveying the Property to Purchaser in fee simple according to the legal description prepared by the surveyor as shown on the Survey, subject to the Permitted Exceptions;

B. Subject to Purchaser's obligations in Section 1.2 above, the Title Policy issued by the underwriter for the Title Company pursuant to the Title Commitment, subject to the Permitted Exceptions, in the full amount of the Purchase Price, dated as of the date of Closing, and with the survey exception deleted except as to "shortages in area;"

C. Only if necessary, a Bill of Sale conveying all of Seller's right, title, and interest in the Personal Property, if any, to Purchaser free and clear of all restrictions, conditions, easements, liens, and other encumbrances, except the Permitted Exceptions;

D. A general assignment assigning to Purchaser all of Seller's interest in any Licenses and Permits;

E. An assignment to Purchaser of Seller's interest in any Leases;

F. Evidence of Seller's authority and capacity to close this transaction; and

G. All other documents reasonably required by the Title Company from Seller to close this transaction.

Section 7.3 Purchaser's Closing Documents

At the Closing, Purchaser shall deliver to Seller at Purchaser's expense:

A. The Purchase Price;

B. Evidence of Purchaser's authority and capacity to close this transaction;

C. All other documents reasonably required by the Title Company from Purchaser to close this transaction.

Section 7.4 Closing Costs

Each party shall pay its respective costs associated with the Closing in accordance with Section 1.2 above.

Section 7.5 Ad Valorem Taxes

As Seller is a home rule municipality, Seller is not subject to ad valorem taxes with respect to the Property. From the Closing Date forward, Purchaser shall be solely responsible for payment of all ad valorem taxes applicable to the Property, and Seller shall have no responsibility for payment of any ad valorem taxes whatsoever. This provision shall survive the Closing.

Section 7.6 Rollback Taxes

If a change in use of the Property after Closing results or may result in the assessment after the Closing of additional taxes for periods prior to Closing, the additional taxes plus any penalties and interest shall be paid by Seller when due; provided, however, Seller is a public entity, therefore, Seller does not hereby waive any exemption or other exception it, or the Property, may have from rollback taxes pursuant to Texas Tax Code 23.55(f) or other applicable law. This obligation shall survive the Closing.

NOTICE REGARDING POSSIBLE LIABILITY FOR ADDITIONAL TAXES. If for the current ad valorem tax year the taxable value of the Property that is the subject of this Agreement is determined by a special appraisal method that allows for appraisal of the Property at less than its market value, the person to whom the Property is transferred may not be allowed to qualify the Property for that special appraisal in a subsequent tax year and the Property may then be appraised at its full market value. In addition, the transfer of the Property or a subsequent change in the use of the Property may result in the imposition of an additional tax plus interest as

a penalty for the transfer or the change in the use of the Property. The taxable value of the Property and the applicable method of appraisal is public information and may be obtained from the tax appraisal district established for the county in which the land is located.

ARTICLE 8
CASUALTY LOSS; CONDEMNATION.

All risk of loss to the Property shall remain upon Seller prior to the Closing. If, prior to the Closing, any portion of the Property is damaged or destroyed by fire or other casualty, or subject to a condemnation or taking or the threat of a condemnation or taking, Purchaser may either terminate this Agreement by delivering a written termination notice to Seller or elect to close. If the transaction is to proceed to Closing, there shall be no reduction in the Purchase Price, but Seller shall assign to Purchaser all of Seller's right and interest in any insurance proceeds and/or condemnation awards, as applicable, plus an amount equal to any insurance deductible.

ARTICLE 9
DEFAULT

Section 9.1 Purchaser's Remedies

If Seller fails to perform its obligations under this Agreement for any reason except Purchaser's default, which continues for more than thirty (30) days following delivery of written notice of such default from Purchaser to Seller or the termination of this Agreement by Seller, pursuant to a right to terminate set forth in this Agreement, Seller shall be in default and Purchaser may elect to (i) terminate this Agreement and receive the Earnest Money, or (ii) pursue the remedy of specific performance, as it sole and exclusive remedies.

Section 9.2 Seller's Remedies

If Purchaser fails to perform its obligations under this Agreement for any reason except Seller's default, which continues for more than thirty (30) days following delivery of written notice of such default from Seller to Purchaser, Purchaser shall be in default, and Seller may terminate this Agreement and receive the Earnest Money.

ARTICLE 10
REAL ESTATE COMMISSIONS

Each party to this Agreement represents and warrants to the other party that such party has had no dealings with any person, firm, agent or finder in connection with the negotiation of this Agreement and/or the consummation of the purchase and sale contemplated herein and no real estate broker, agent, attorney, person, firm or entity is entitled to any commission or finder's fee in connection with this transaction as the result of any dealings or acts of such party. To the extent permitted by law, each party hereby agrees to indemnify, defend, protect and hold the other party harmless from and against any costs, expenses or liability for compensation, commission, fee, or charges which may be claimed by any agent, finder or other similar party by reason of any dealings or acts of the indemnifying party.

ARTICLE 11
MISCELLANEOUS PROVISIONS

Section 11.1 Notices

All notices and other communications required or permitted under this Agreement must be in writing and shall be deemed delivered on the earlier of: (i) actual receipt, if delivered in person or by messenger with evidence of delivery; (ii) the date and time of transmission if delivered by email; or (iii) three (3) business days after deposit in the United States Mail as required below. Notices delivered by mail must be deposited with the U.S. Postal Service and sent by certified mail return receipt requested with postage prepaid, and properly addressed to the intended recipient at the address set forth below. Any party may change its address for notice purposes by delivering written notice of its new address to all other parties in the manner set forth above.

Section 11.2 Forms and Construction

This Agreement is the result of negotiations between the parties, neither of whom has acted under any duress or compulsion, whether legal, economic or otherwise. Accordingly, the terms and provisions hereof shall be construed in accordance with their usual and customary meanings. Seller and Purchaser hereby waive the application of any rule of law which otherwise would be applicable in connection with the construction of this Agreement that ambiguous or conflicting terms or provisions should be construed against the party who (or whose attorney) prepared the executed Agreement or any earlier draft of the same.

Section 11.3 Attorney's Fees

The prevailing party in any legal proceeding brought in relation to this Agreement or transaction shall be entitled to recover from the non-prevailing party's court costs, reasonable attorneys' fees and all other reasonable litigation expenses.

Section 11.4 Assignment

Purchaser may not assign this Agreement without the prior written consent of Seller. Notwithstanding the foregoing, Purchaser may assign its rights under this Agreement to any affiliated entity which directly or indirectly controls, is controlled by or is under common control with Purchaser without the consent of Seller, on the condition that the assignee expressly assumes all of the obligations of Purchaser hereunder in a written agreement, and such written agreement is delivered to Seller prior to the Closing Date. This Agreement shall be binding upon and inure to the benefit of the respective legal representatives, successors, assigns, heirs, and devises of the parties.

Section 11.5 Integration

This Agreement contains the complete agreement between the parties with respect to the Property and cannot be varied except by written agreement of the parties hereto. The parties agree that there are no oral or signed agreements, understandings, representations or warranties made by the parties which are not expressly set forth herein.

Section 11.6 Survival

Any warranty, representation, covenant, condition or obligation contained in this Agreement not otherwise consummated at the Closing will survive the Closing of this transaction.

Section 11.7 Binding Effect

This Agreement shall inure to the benefit of and be binding upon the parties to this Agreement and their respective heirs, legal representatives, successors and assigns.

Section 11.8 Time for Performance

Time is of the essence under each provision of this Agreement. If any date of performance hereunder falls upon a Saturday, Sunday or recognized holiday, such date will be deemed moved forward to the next day which is not a Saturday, Sunday or recognized holiday.

Section 11.9 Business Day

The term "business day" shall mean days elapsed exclusive of Saturday, Sunday or recognized holidays.

Section 11.10 Governing Law

This Agreement shall be construed under and governed by the laws of the State of Texas, and unless otherwise provided herein, all obligations of the parties created under this Agreement are to be performed in the county where the Property is located.

Section 11.11 Severability

If any provision of this Agreement is held to be invalid, illegal, or unenforceable by a court of competent jurisdiction, the invalid, illegal or unenforceable provision shall not affect any other provisions, and this Agreement shall be construed as if the invalid, illegal, or unenforceable provision is severed and deleted from this Agreement.

Section 11.12 Counterparts

This Agreement may be executed in a number of identical counterparts. Each counterpart is deemed an original and all counterparts shall, collectively, constitute one agreement. Executed documents transmitted electronically shall be considered originals.

Section 11.13 Gender; Number

Unless the context requires otherwise, all pronouns used in this Agreement shall be construed to include the other genders, whether used in the masculine, feminine or neuter gender. Words in the singular number shall be construed to include the plural, and words in the plural shall be construed to include the singular.

Section 11.14 Immunity

It is expressly understood and agreed that, in the execution and performance of this Agreement, Seller has not waived, nor shall be deemed hereby to have waived, any defense or immunity, including governmental, sovereign and official immunity, that would otherwise be available to it against claims arising in the exercise of governmental powers and functions. By entering into this Agreement, the parties do not create any obligations, express or implied, other than those set forth herein.

Section 11.15 1031 Exchange

Buyer intends to complete the transaction contemplated in this Agreement as part of an exchange of like-kind properties in accordance with Section 1031 of the Internal Revenue Code, as amended. All expenses in connection with the contemplated exchange will be paid by the Purchaser. Seller will not incur any expense or liability with respect to the exchange. The parties agree to cooperate fully and in good faith to arrange and consummate the exchange so as to comply with the maximum extent feasible with the provisions of Section 1031 of the Internal Revenue Code. The other provisions of this Agreement will not be affected in the event the contemplated exchange fails to occur.

Section 11.16 Further Assurances

The parties each agree that at any time, or from time to time, after the execution of this Agreement and whether before or after the exercise of the Option, each party will, upon the request of the other party hereto, execute and deliver such further documents and do such further acts and things as such other party may reasonably request in order to effect fully the purposes of this Agreement

[SIGNATURES APPEAR ON THE FOLLOWING PAGES]

EXECUTED on the dates stated below, but to be **EFFECTIVE** on the Effective Date defined herein.

SELLER:

Date:_____

CITY OF SHERMAN, TEXAS,
a home-rule municipality

By:_____
Robby Hefton, City Manager

PURCHASER:

Date: 6/18/2021

HARKINSON MANAGEMENT, LLC, a Texas limited liability company

By: _____
William J. Harkinson, Manager

TITLE COMPANY ACCEPTANCE

The Title Company acknowledges receipt of the executed Agreement and Earnest Money on _____, 20__, at _____(a.m./p.m.) and has accepted the Earnest Money subject to the terms and conditions set forth in this Agreement.

TITLE COMPANY:

ALLEGIANCE TITLE COMPANY

By: _____

_____, _____

Allegiance Title Company
Attn: Shelley Lancaster
3838 Oak Lawn Ave., Suite 810
Dallas, TX 75219

EXHIBIT "A"
LEGAL DESCRIPTION

All that certain tract or parcel of land situated in the Elizabeth Jones Survey. Abstract Number 625. City of Sherman. County of Grayson. State of Texas. said tract being all of a tract as described in Deed to City of Sherman. filed 12 May 2017. and Recorded in Volume 5998 Page 353 of the Deed Records of the County of Grayson. State of Texas. and being more fully described as follows:

Beginning for the Northeast corner of the tract being described herein at a found ½ inch Steel Rebar. said rebar being the northeast corner of said City of Sherman tract. and the northwest corner of a tract as described in Deed to Sherman Independent School District. filed 12 May 2017. Instrument Number 2017-10143 of said Deed Records. said rebar also being on the south Right-of-Way line of Steeplechase Drive:

Thence: South 22 degrees 21 minutes 06 seconds East. with the east line of said City of Sherman tract. and the west line of said School tract. a distance of 1682.19 feet to a set "X" in concrete for the southeast corner of this tract. and being on the north line of West Travis Street:

Thence: South 74 degrees 15 minutes 54 seconds West. a distance of 261.40 feet to a set ½ inch Steel Square Tubing for a corner of this tract. and being on the east Right of Way line of Farm-to-Market Road 1417:

Thence: With the east ROW line of FM 1417. the following 3 (Three) calls:

1. North 68 degrees 49 minutes 56 seconds West. a distance of 153.58 feet to a set ½ inch Steel Square Tubing:
2. North 26 degrees 29 minutes 34 seconds West. a distance of 617.44 feet to a found State of Texas Concrete Right-of-Way Monument. and being the start of a curve to the right whose radius is 2800.00 feet and chord bearing of North 15 degrees 50 minutes 07 seconds West. a chord distance of 1032.92 feet:
3. With said curve to the right. an Arc Length of 1038.87 feet to a set ½ inch Steel Square Tubing for the end of this curve and on the south Right-of-Way line of Steeplechase Drive:

Thence: North 85 degrees 26 minutes 27 seconds East. with the south ROW line of said Steeplechase Drive. a distance of 313.38 feet to the POINT OF BEGINNING and containing 15.260 acres of land.

EXHIBIT ±A-N≤
DEPICTION OF THE LAND

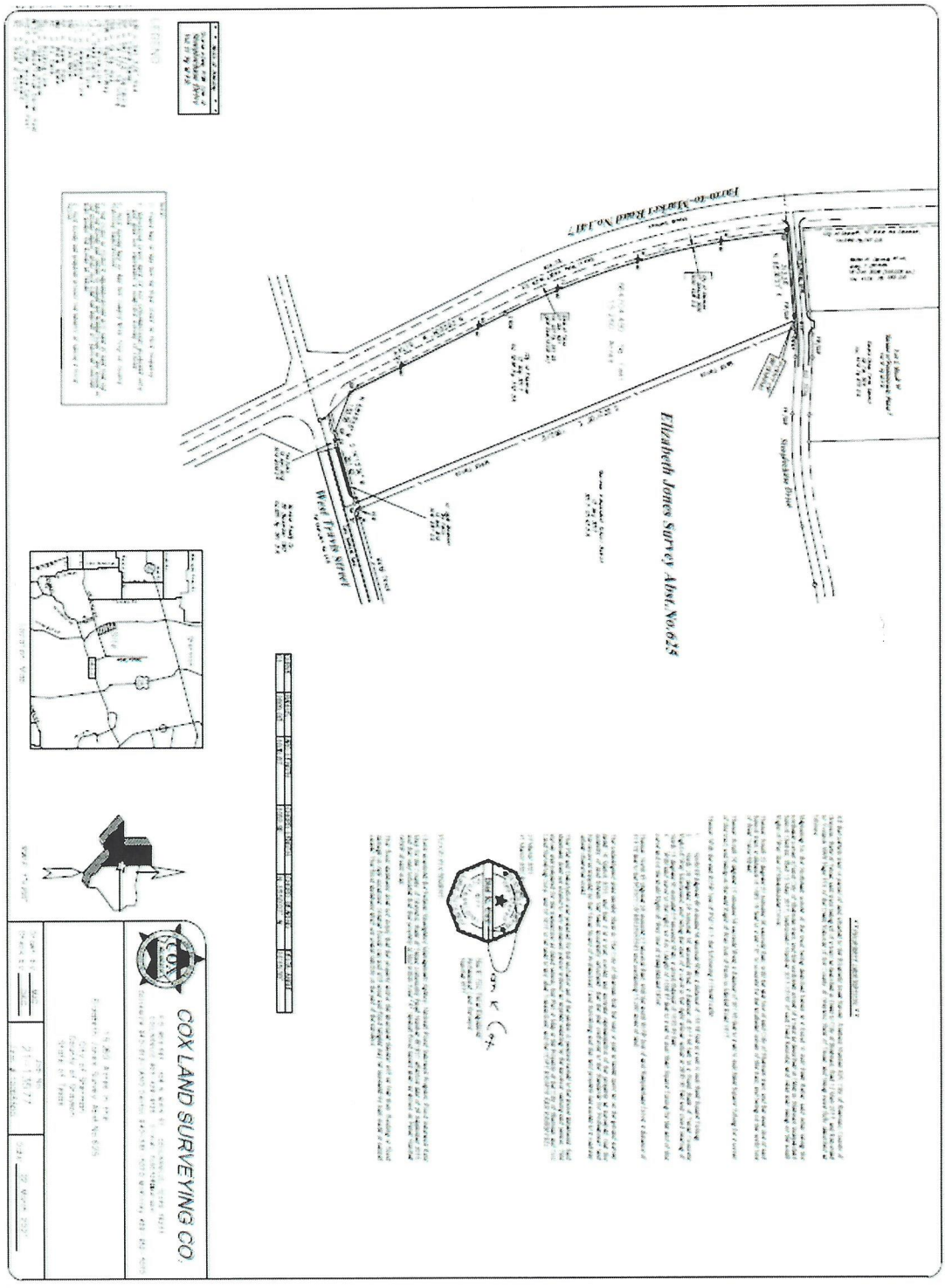


EXHIBIT "B"
FORM OF SPECIAL WARRANTY DEED

NOTICE OF CONFIDENTIALITY RIGHTS: IF YOU ARE A NATURAL PERSON, YOU MAY REMOVE OR STRIKE ANY OR ALL OF THE FOLLOWING INFORMATION FROM ANY INSTRUMENT THAT TRANSFERS AN INTEREST IN REAL PROPERTY BEFORE IT IS FILED FOR RECORD IN THE PUBLIC RECORDS: YOUR SOCIAL SECURITY NUMBER OR YOUR DRIVER'S LICENSE NUMBER.

SPECIAL WARRANTY DEED

STATE OF TEXAS §
§ KNOW ALL MEN BY THESE PRESENTS:
COUNTY OF GRAYSON §

THAT CITY OF SHERMAN, TEXAS, a home-rule municipality ("Grantor"), for and in consideration of the sum of Ten Dollars ($10.00) and other good and valuable consideration to Grantor in hand paid by the HARKINSON MANAGEMENT, LLC, a Texas limited liability company ("Grantee"), the receipt and sufficiency of which is hereby acknowledged by Grantor, has GRANTED, SOLD AND CONVEYED, and by these presents does hereby GRANT, SELL AND CONVEY unto Grantee that certain real property more particularly described on Exhibit A attached hereto and incorporated herein (the "Land"), together with all and singular, the rights and appurtenances pertaining to the Land, including any right, title and interest of Grantor in and to adjacent streets, alleys or rights-of-way, and including all of Grantor's rights to all oil, gas and other minerals in and under the Land, if any, together with any improvements, fixtures, and personal property situated on and attached to the Land (collectively, the "Property").

This conveyance is made by the Grantor and accepted by the Grantee subject to the validly existing and enforceable rights, interests, estates, rights-of-way, easements, encumbrances and other matters presently recorded in Grayson County, Texas, and to all matters that would be revealed by a current survey of the Property (collectively, the "Permitted Exceptions").

By acceptance of this Deed, Grantee hereby agrees and acknowledges that:

EXCEPT AS EXPRESSLY SET FORTH HEREIN, IT IS UNDERSTOOD AND AGREED THAT THE PROPERTY IS BEING SOLD AND CONVEYED HEREUNDER "AS IS" WITH ANY AND ALL FAULTS AND LATENT AND PATENT DEFECTS WITHOUT ANY EXPRESS OR IMPLIED REPRESENTATION OR WARRANTY BY GRANTOR. GRANTOR HAS NOT MADE AND DOES NOT HEREBY MAKE AND HEREBY SPECIFICALLY DISCLAIMS (EXCEPT AS EXPRESSLY SET FORTH HEREIN) ANY REPRESENTATIONS OR WARRANTIES OF ANY KIND OR CHARACTER WHATSOEVER, EXPRESS OR IMPLIED, ARISING BY OPERATION OF LAW OR OTHERWISE, WITH RESPECT TO THE PROPERTY (OTHER THAN GRANTOR'S SPECIAL WARRANTY OF TITLE CONTAINED HEREIN), INCLUDING, WITHOUT LIMITATION ANY REPRESENTATION OR WARRANTY RELATING TO: (I) THE USE, INCOME POTENTIAL, EXPENSES, MAINTENANCE, OPERATION, CHARACTERISTICS,

ZONING OR CONDITION OF THE PROPERTY OR ANY PORTION THEREOF, INCLUDING, WITHOUT LIMITATION, WARRANTIES OF SUITABILITY, TENANTABILITY, HABITABILITY, MERCHANTABILITY, DESIGN OR FITNESS FOR ANY SPECIFIC PURPOSE OR A PARTICULAR PURPOSE; (II) THE NATURE, MANNER OR CONDITION OF THE PROPERTY, ON THE SURFACE OR SUBSURFACE THEREOF, WHETHER OR NOT OBVIOUS, VISIBLE OR APPARENT; (III) THE ENVIRONMENTAL CONDITION OF THE PROPERTY AND THE PRESENCE OR ABSENCE OF OR CONTAMINATION BY HAZARDOUS MATERIALS OR THE COMPLIANCE OF THE PROPERTY WITH ANY APPLICABLE REGULATIONS OR LAWS INCLUDING WITHOUT LIMITATION THOSE REGULATIONS OR LAWS PERTAINING TO HEALTH, SAFETY OR THE ENVIRONMENT AND (IV) THE SOIL CONDITIONS, DRAINAGE, GROUNDWATER CONDITION, FLOODING CHARACTERISTICS, UTILITIES OR OTHER CONDITIONS EXISTING IN, ON OR UNDER THE PROPERTY.

GRANTEE ACKNOWLEDGES AND AGREES THAT IT IS ACCEPTING THIS DEED WITHOUT RELYING (EXCEPT AS EXPRESSLY SET FORTH HEREIN) UPON ANY SUCH REPRESENTATION, WARRANTY, STATEMENT OR OTHER ASSERTION, ORAL OR WRITTEN, MADE BY GRANTOR OR ANY REPRESENTATIVE OF GRANTOR OR ANY OTHER PERSON ACTING OR PURPORTING TO ACT FOR OR ON BEHALF OF GRANTOR WITH RESPECT TO THE PROPERTY. GRANTEE ACKNOWLEDGES AND AGREES THAT GRANTEE IS EXPERIENCED IN THE OWNERSHIP AND OPERATION OF PROPERTIES SIMILAR TO THE PROPERTY AND THAT GRANTEE PRIOR TO THE CLOSING DATE WILL HAVE INSPECTED THE PROPERTY TO GRANTEE'S SATISFACTION AND GRANTEE IS QUALIFIED TO MAKE SUCH INSPECTION. GRANTEE ACKNOWLEDGES THAT, EXCEPT AS EXPRESSLY SET FORTH HEREIN, IT IS SOLELY RELYING ON GRANTEE'S (OR GRANTEE'S REPRESENTATIVES') INSPECTION, EXAMINATION AND EVALUATION OF THE PROPERTY. GRANTEE ACKNOWLEDGES THAT, EXCEPT AS EXPRESSLY SET FORTH HEREIN, GRANTEE HAS (OR GRANTEE'S REPRESENTATIVES HAVE), OR PRIOR TO THE CLOSING DATE WILL HAVE, THOROUGHLY INSPECTED AND EXAMINED THE PROPERTY TO THE EXTENT DEEMED NECESSARY BY GRANTEE IN ORDER TO ENABLE GRANTEE TO EVALUATE THE CONDITION OF THE PROPERTY AND ALL OTHER ASPECTS OF THE PROPERTY (INCLUDING, BUT NOT LIMITED TO, THE ENVIRONMENTAL CONDITION OF THE PROPERTY), AND GRANTEE ACKNOWLEDGES THAT, EXCEPT AS EXPRESSLY SET FORTH HEREIN, GRANTEE IS RELYING SOLELY UPON ITS OWN (OR ITS REPRESENTATIVES') INSPECTION, EXAMINATION AND EVALUATION OF THE PROPERTY. EXCEPT AS EXPRESSLY SET FORTH HEREIN, GRANTEE REPRESENTS THAT IT SHALL INSPECT THE PROPERTY AND SHALL RELY SOLELY ON ITS OWN INVESTIGATION OF THE PROPERTY TO DETERMINE THE CONDITION OF THE PROPERTY AND NOT ON ANY INFORMATION PROVIDED OR TO BE PROVIDED BY GRANTOR. GRANTEE FURTHER ACKNOWLEDGES AND AGREES THAT THE PROVISIONS OF THIS PARAGRAPH WERE A MATERIAL FACTOR IN GRANTOR'S DETERMINATION OF THE CONSIDERATION FOR THE TRANSFER OF THE PROPERTY TO GRANTEE.

GRANTEE, ON BEHALF OF GRANTEE AND GRANTEE'S SUCCESSORS AND ASSIGNS (COLLECTIVELY, "GRANTEE PARTIES") AND ANYONE CLAIMING BY, THROUGH OR UNDER GRANTEE, EXCEPT AS EXPRESSLY SET FORTH HEREIN, HEREBY FULLY, UNCONDITIONALLY AND IRREVOCABLY RELEASES GRANTOR AND GRANTOR'S EMPLOYEES, OFFICERS, DIRECTORS, REPRESENTATIVES, AGENTS, SERVANTS, ATTORNEYS, SUCCESSORS AND ASSIGNS, AND ALL PERSONS, FIRMS, CORPORATIONS AND ORGANIZATIONS ACTING ON THE BEHALF OF EACH OF THE FOREGOING (COLLECTIVELY, THE "GRANTOR PARTIES") FROM ANY AND ALL CLAIMS, COUNTERCLAIMS, COSTS, LOSSES, LIABILITIES, OBLIGATIONS, LEGAL OR ADMINISTRATIVE ORDERS OR PROCEEDINGS, DAMAGES, PUNITIVE DAMAGES, EXPENSES, PENALTIES, FINES, DEMANDS, ACTIONS OR CAUSES OF ACTION AND JUDGMENTS (COLLECTIVELY, "CLAIMS") THAT GRANTEE, ANY GRANTEE PARTY OR ANYONE CLAIMING BY, THROUGH OR UNDER GRANTEE MAY NOW HAVE OR HEREAFTER ACQUIRE AGAINST ANY GRANTOR PARTY (INCLUDING AS A RESULT OF A GRANTOR PARTIES' NEGLIGENCE OR STRICT LIABILITY) ARISING FROM OR RELATED TO ANY CONSTRUCTION DEFECTS, ERRORS, OMISSIONS OR OTHER CONDITIONS, WHETHER GEOTECHNICAL, SEISMIC OR OTHERWISE, AFFECTING THE PROPERTY OR ANY PORTION THEREOF, EXCEPT TO THE EXTENT CAUSED BY GRANTOR'S GROSS NEGLIGENCE OR WILLFUL MISCONDUCT.

THE PROVISIONS OF THE ABOVE PARAGRAPHS WERE BARGAINED FOR BY THE PARTIES AND IF GRANTEE REQUIRED GRANTOR EITHER (A) TO MAKE ANY REPRESENTATIONS OR WARRANTIES ABOUT THE CONDITION OF THE PROPERTY OTHER THAN THOSE EXPRESSLY SET FORTH HEREIN OR (B) TO MAKE REPAIRS, ALTERATIONS OR IMPROVEMENTS WITH RESPECT TO SAID CONDITION, THE SALES PRICE AND OTHER TERMS OF THE TRANSACTION WOULD HAVE BEEN MATERIALLY DIFFERENT.

TO HAVE AND TO HOLD the above described premises, together with all and singular the rights and appurtenances thereof in anywise belonging unto Grantee, its successors and assigns forever, and Grantor does hereby bind itself, its successors and assigns to WARRANT AND FOREVER DEFEND, all and singular such premises unto Grantee, its successors and assigns, against every person whomsoever lawfully claiming or to claim the same or any part thereof, by, through, or under the Grantor, but not otherwise, subject, however, to the Permitted Exceptions.

[*Signature page follows*]

IN WITNESS WHEREOF, Grantor has executed this Special Warranty Deed to be effective as of the _____ day of _____, 2021.

GRANTOR:

CITY OF SHERMAN, TEXAS,
a home-rule municipality

By: _____
Name: Robby Hefton
Its: City Manager

STATE OF TEXAS §
§
COUNTY OF SHERMAN §

BEFORE ME, the undersigned authority, a Notary Public, on this day personally appeared Robby Hefton, the City Manager of CITY OF SHERMAN, TEXAS, known to me to be the person whose name is subscribed to the foregoing instrument, and who acknowledged to me that he executed the same for the purposes and consideration therein expressed, as the act and deed of said municipality.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this ____ day of _____, 2021.

_____
Notary Public in and for the State of Texas

My Commission Expires:

_____

After Recording Return to:
Abernathy, Roeder, Boyd & Hullett, P.C.
1700 Redbud Boulevard, Suite 300
McKinney, Texas 75069
Attention: Ryan D. Pittman

EXHIBIT A
Legal Description of the Property

All that certain tract or parcel of land situated in the Elizabeth Jones Survey. Abstract Number 625. City of Sherman. County of Grayson. State of Texas. said tract being all of a tract as described in Deed to City of Sherman. filed 12 May 2017. and Recorded in Volume 5998 Page 353 of the Deed Records of the County of Grayson. State of Texas. and being more fully described as follows:

Beginning for the Northeast corner of the tract being described herein at a found ½ inch Steel Rebar. said rebar being the northeast corner of said City of Sherman tract. and the northwest corner of a tract as described in Deed to Sherman Independent School District. filed 12 May 2017. Instrument Number 2017-10143 of said Deed Records. said rebar also being on the south Right-of-Way line of Steeplechase Drive:

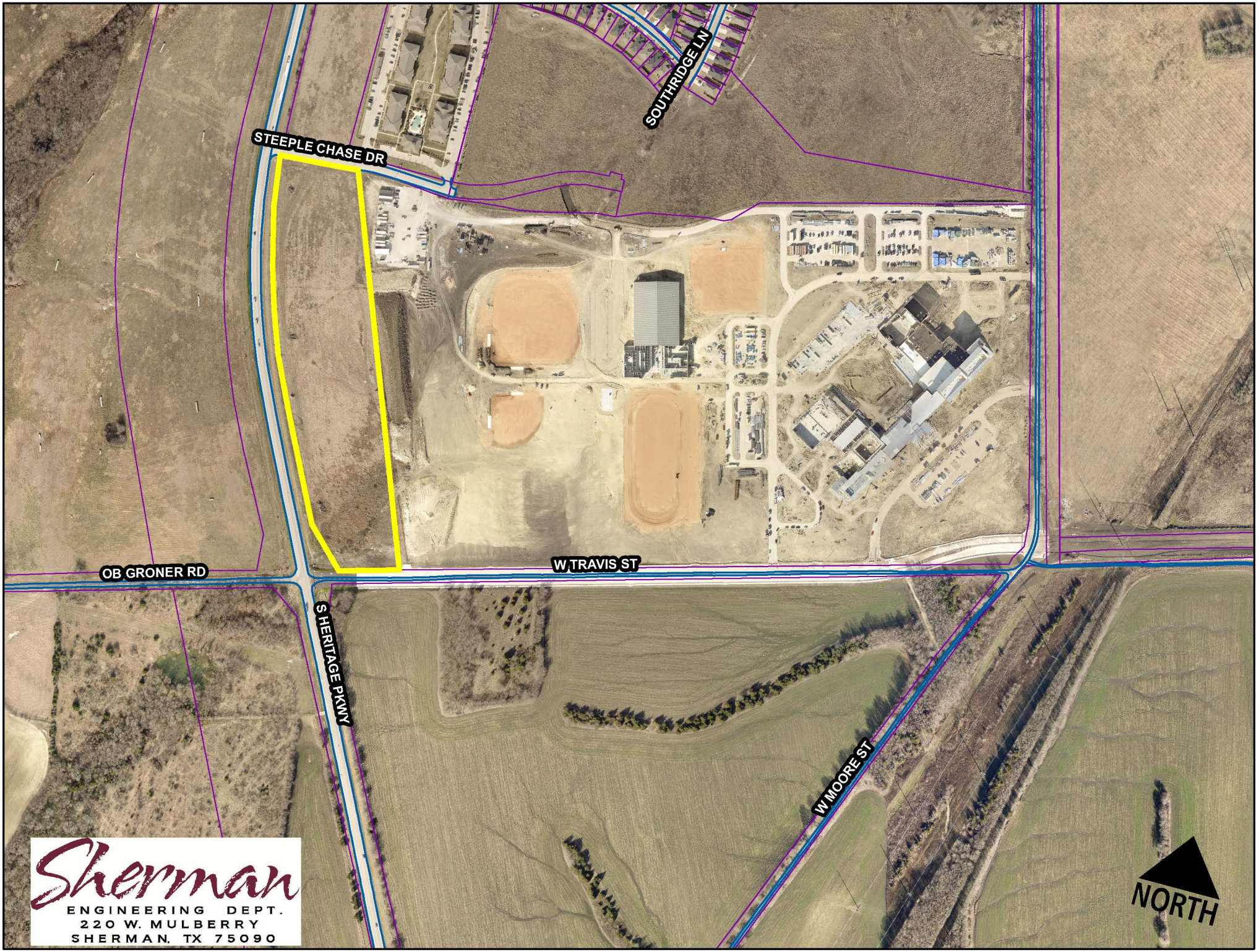
Thence: South 22 degrees 21 minutes 06 seconds East. with the east line of said City of Sherman tract. and the west line of said School tract. a distance of 1682.19 feet to a set "X" in concrete for the southeast corner of this tract. and being on the north line of West Travis Street:

Thence: South 74 degrees 15 minutes 54 seconds West. a distance of 261.40 feet to a set ½ inch Steel Square Tubing for a corner of this tract. and being on the east Right of Way line of Farm-to-Market Road 1417:

Thence: With the east ROW line of FM 1417. the following 3 (Three) calls:

1. North 68 degrees 49 minutes 56 seconds West. a distance of 153.58 feet to a set ½ inch Steel Square Tubing:
2. North 26 degrees 29 minutes 34 seconds West. a distance of 617.44 feet to a found State of Texas Concrete Right-of-Way Monument. and being the start of a curve to the right whose radius is 2800.00 feet and chord bearing of North 15 degrees 50 minutes 07 seconds West. a chord distance of 1032.92 feet:
3. With said curve to the right. an Arc Length of 1038.87 feet to a set ½ inch Steel Square Tubing for the end of this curve and on the south Right-of-Way line of Steeplechase Drive:

Thence: North 85 degrees 26 minutes 27 seconds East. with the south ROW line of said Steeplechase Drive. a distance of 313.38 feet to the POINT OF BEGINNING and containing 15.260 acres of land.


SOUTHRIDGE LN
STEEPLE CHASE DR
OB GRONER RD
W TRAVIS ST
S HERITAGE PKWY
W MOORE ST
NORTH
Sherman
ENGINEERING DEPT.
220 W. MULBERRY
SHERMAN, TX 75090

SHERMAN CITY COUNCIL
Agenda Communication Form

City Council Called Meeting **E. 2.**

Meeting Date: 07/06/2021

Prepared By: Zachary Flores, Police Chief

Approved By: Robby Hefton, City Manager

Caption:

RESOLUTION NO. 6750

Authorizing Execution of a Law Enforcement Officer Interlocal Agreement between the City of Sherman, Texas, and the City of Gunter, Texas

Issue:

Consideration of an Interlocal Agreement with the City of Gunter to provide law enforcement services to Zachry Construction under an agreement with the City of Sherman

Background:

Zachry Construction ("Zachry") has contracted with the Texas Department of Transportation for construction of Highway 75 improvements between Highway 1417 and Highway 91. Zachry has requested officer assistance with traffic control that is above the City's capacity to provide. The City of Gunter has agreed to provide additional officers through the City of Sherman's agreement with Zachry. The City of Gunter, and any other participating agencies, will submit time sheets to the City of Sherman, who will invoice Zachry on behalf of the City of Gunter for the manpower used. Upon receipt of reimbursement from Zachry, the City of Sherman will distribute the payment to the agencies. This Interlocal Agreement permits the City of Sherman to enter into this arrangement with the City of Gunter.

Origination:

Sherman Police Department

Financial Consideration:

The City of Gunter will pay their own officers. The City of Sherman will be a pass-through for the payment due to the City of Gunter from Zachry Construction. Therefore, the City of Sherman has no costs associated with this agreement.

Staff Recommendation:

Staff recommends that the City Council authorize execution of an Interlocal Agreement between the City of Sherman and the City of Gunter.

Alternatives:

As may be directed by the City Council

Attachments

Resolution No. 6750

Interlocal Agreement

RESOLUTION NO. 6750

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AUTHORIZING EXECUTION OF A LAW ENFORCEMENT OFFICER INTERLOCAL AGREEMENT BETWEEN THE CITY OF SHERMAN, TEXAS, AND THE CITY OF GUNTER, TEXAS; FINDING AND DETERMINING THAT THE MEETING AT WHICH THIS RESOLUTION IS PASSED WAS NOTICED AND IS OPEN TO THE PUBLIC AS REQUIRED BY LAW.

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS:

SECTION 1. That the City Manager be and is hereby authorized and directed, subject to all contract documents being properly completed and approved as to form and content by the City Attorney, to execute an Interlocal Agreement with the City of Gunter, Texas, for the City of Gunter to provide officers for services under a contract between the City of Sherman and Zachry Construction, in accordance with the terms and provisions of all contract documents attached hereto and made a part hereof for all purposes.

SECTION 2. That it is hereby officially found and determined that the meeting at which this resolution is passed is open to the public and that public notice of the time, place, and purpose of said meeting was given as required by law.

DULY PASSED AND APPROVED BY THE CITY COUNCIL OF SHERMAN, TX on this the _____day of_____, 2021.

CITY OF SHERMAN, TEXAS

BY: _____

DAVID PLYLER, MAYOR

ATTEST:

BY: _____
LINDA ASHBY, CITY CLERK

APPROVED AS TO FORM AND CONTENT:
THE LAW FIRM OF ABERNATHY, ROEDER, BOYD & HULLETT, P.C.

BY: _____
NAME:_____
CITY ATTORNEY

STATE OF TEXAS §
§
§
COUNTY OF GRAYSON §

LAW ENFORCEMENT OFFICER INTERLOCAL AGREEMENT

This interlocal agreement ("**Agreement**") is entered into this _____ day of July, 2021 between the City of Sherman, a home rule municipality in Grayson County, Texas ("**Sherman**" or "**City**") and the City of Gunter, Texas ("**Gunter**"), a home rule municipality in Grayson County, Texas. Together Sherman and Gunter shall be referred to as the "parties".

WHEREAS, the City has entered into an agreement with Zachry Construction Corporation ("**Zachry Construction**") to renovate and improve portions of Highway 75 in and around the City; and

WHEREAS, the Interlocal Cooperation Act, Chapter 791 of the Texas Government Code (the "**Act**"), provides the authority to political subdivisions for contracts by and between each other to facilitate the governmental functions and services of said political subdivisions under the terms of the Act, and

WHEREAS, Sherman and Gunter have the authority to enter into this Agreement under the Interlocal Cooperation Act (Chapter 791 of the Texas Government Code); and

WHEREAS, it is mutually beneficial for the parties to enter into an agreement which establishes the duties, assignment, responsibilities and obligations of Sherman and Gunter.

NOW, THEREFORE, for and in consideration of the payments and mutual covenants contained herein, and for other good and valuable considerations, the parties agree as follows:

TERMS AND CONDITIONS

I. CITY OF GUNTER RESPONSIBILITY

Gunter may provide law enforcement officers upon request of the City of Sherman for traffic control and related duties as needed by Sherman to fulfill Sherman's obligations to Zachry Construction during and for Highway 75 construction. Such a request by City does not obligate Gunter to provide any officers to the construction site. If Gunter, or its officers, choose to respond to such a request, Gunter will provide the City with the names, dates, and work duty start and end times by the tenth of each month for the previous month.

Any Gunter officer that desires to perform the duties described in this Agreement will be required to sign up through the City of Sherman's off duty management platform. The City of Sherman off duty management platform will be the scheduling platform that the City of Sherman uses to determine availability of needs from the City of Sherman for the City to serve Zachry Construction.

II. CITY OF SHERMAN RESPONSIBILITY

Sherman will invoice Zachry Construction for the hours submitted each month by Gunter to Sherman. After receiving payment from Zachry Construction, Sherman will remit Gunter's portion within two weeks. Should Zachry Construction fail to remit Gunter portion of payment to Sherman within thirty (60) days of invoicing, Sherman shall include Gunter in a claim against Zachry to recover payment.

The amount invoiced for a law enforcement vehicle provided by Gunter will be the current per hour FEMA rate for Cost Code 8073 – Automobile, Police, Stationary with engine running, reflected in Exhibit "**A**", attached and incorporated as if fully set forth herein. This rate is $16.05 as of the date of this Agreement and will be updated with subsequent FEMA rate changes. The amount invoiced for a law enforcement officer will be $61.50 per hour initially, indexed to coincide with the increase in compensation for City of Sherman law enforcement officers, occurring annually on October 1st.

III. TIME PERIOD

The term of this Agreement shall commence immediately upon execution by the parties and will automatically renew from year to year, unless earlier terminated as provided herein.

IV. TERMINATION

The Agreement will terminate when the contract between Zachry Construction and the City terminates.

Should either party (Sherman or Gunter) decide to stop participating in the program at any time, with or without cause, a thirty (30) day notice must be provided to the other party.

No termination will relieve the obligation of the City of Sherman of any amounts due and payable for services performed hereunder prior to termination. Should any party substantially fail to perform in accordance with the provisions of this Agreement, the Agreement may be terminated by any party upon no less than fifteen (15) days written notice to the other party.

V. INDEMNIFICATION

TO THE EXTENT ALLOWED BY LAW, THE CITY OF GUNTER DOES HEREBY AGREE TO WAIVE ALL CLAIMS AGAINST, RELEASE, AND HOLD HARMLESS SHERMAN AND ALL OF ITS OFFICIALS, OFFICERS, AGENTS, EMPLOYEES, IN BOTH THEIR PUBLIC AND PRIVATE CAPACITIES, FROM ANY AND ALL LIABILITY, CLAIMS, SUITS, DEMANDS, LOSSES, DAMAGES, ATTORNEYS' FEES, INCLUDING ALL EXPENSES OF LITIGATION OR SETTLEMENT, OR CAUSES OF ACTION WHICH MAY ARISE BY REASON OF INJURY TO OR DEATH OF ANY PERSON OR FOR LOSS OF, DAMAGE TO, OR LOSS OF USE OF ANY PROPERTY ARISING OUT OF OR IN CONNECTION WITH THIS AGREEMENT.

TO THE EXTENT ALLOWED BY LAW, SHERMAN DOES HEREBY AGREE TO WAIVE ALL CLAIMS AGAINST, RELEASE AND HOLD HARMLESS GUNTER AND ALL OF ITS OFFICIALS, OFFICERS, AGENTS, EMPLOYEES, IN BOTH THEIR PUBLIC AND PRIVATE CAPACITIES, FROM ANY AND ALL LIABILITY, CLAIMS, SUITS, DEMANDS, LOSSES, DAMAGES, ATTORNEYS' FEES, INCLUDING ALL EXPENSES OF LITIGATION OR SETTLEMENT, OR CAUSES OF ACTION WHICH MAY ARISE BY REASON OF INJURY TO OR DEATH OF ANY PERSON OR FOR LOSS OF, DAMAGE TO, OR LOSS OF USE OF ANY PROPERTY ARISING OUT OF OR IN CONNECTION WITH THIS AGREEMENT.

IT IS THE INTENTION OF BOTH PARTIES THAT THIS MUTUAL HOLD HARMLESS CLAUSE SHALL BE INTERPRETED TO MEAN EACH PARTY SHALL BE

RESPONSIBLE FOR THE ACTIONS OF EACH PARTY'S OWN EMPLOYEES, OFFICIALS, OFFICERS, AND AGENTS. THE PARTIES HEREBY AGREE THAT THEY HAVE NOT WAIVED THEIR SOVEREIGN AND/OR GOVERNMENTAL IMMUNITY BY ENTERING INTO AND PERFORMING ITS OBLIGATIONS UNDER THIS AGREEMENT. NO JOINT ENTERPRISE IS CREATED AND NO THIRD-PARTY BENEFICIARIES ARE INTENDED OR CREATED.

VI. MISCELLANEOUS

A. Gunter shall be wholly responsible for the manner in which it determines which officer is assigned to the duties under this Agreement and the way Gunter performs the services required by the terms of this Agreement. Nothing herein shall be construed as creating the relationship of employer and employee, or principal and agent, between Gunter and Sherman or any of Sherman's agents or employees, or between Sherman and members of the City of Gunter Police Department. Gunter, its agents and employees, including those performing services under Agreement, shall not be entitled to any rights or privileges of City employees and shall not be considered in any manner to be a Sherman employee.

B. Insurance: Gunter shall maintain, during the term of this Agreement, workers' compensation insurance, general liability coverage, and auto liability coverage for its employees engaged in work under this Agreement.

C. No Third Party Beneficiaries. Nothing in this Agreement shall be construed to create any right in any third party not a signatory to this Agreement, and the Parties do not intend to create any third party beneficiaries by entering into this Agreement.

D. Assignment: Neither party shall assign, transfer, or subcontract any of its rights, burdens, duties or obligations under this Agreement without the prior written permission of the other party to this Agreement. This Agreement inures to the benefit of and obligates only the parties executing this Agreement. No term or provision of this Agreement is intended to benefit any benefit.

E. Waiver: No waiver of a breach or any provision of the Agreement by either party shall constitute a waiver of any subsequent breach of such provision. Failure of either party to enforce at any time, or from time to time, any provision of this Agreement shall not be construed as a waiver thereof.

F. Choice of Law and Venue: All obligations of each party shall be performed in Grayson County, Texas. The laws of the State of Texas shall govern the interpretation, validity, performance, and enforcement of this Agreement and the exclusive venue for any legal proceedings involving this Agreement shall be Grayson County, Texas.

G. Notices: Notices to Gunter shall be deemed given when delivered in person to the City Manager or on the next business day after the mailing of said notice addressed to Gunter by United States mail, certified or registered mail, return receipt requested, to 116 E. Hanning St. / PO Box 518, Gunter, TX 75459.

Notices to City shall be deemed given when delivered in person to the City Manager or on the next business day after mailing of said notice addressed to said City by United States mail, certified or registered mail, return receipt requested, to 220 W Mulberry St, Sherman, TX, 75090.

The place for mailing notices for a party may be changed only upon written notice given to the other in the manner herein prescribed for notices sent to the last effective place of mailing for the notifying party.

H. Legal Construction, Entire Agreement: If any provision of this Agreement is held to be illegal, invalid, or unenforceable under present or future laws, (1) such provision shall be fully severable, (2) this Agreement shall be construed and enforced as if such illegal, invalid or unenforceable provision had never been a part of this Agreement, and (3) the remaining provisions of this Agreement shall remain in full force and effect and shall not be affected by the illegal, invalid or unenforceable provision or by its severance from this Agreement. This Agreement is the entire agreement between Gunter and Sherman as to the subject matter thereof, and is the sole and only agreement of the parties and supersedes any prior understanding or written or oral agreement relative to the subject matter hereof. This Agreement may be amended only by written instrument duly approved and executed by both parties.

Robby Hefton, City Manager City of Sherman	Date
Rick Chaffin, City Manager City of Gunter	June 8, 2021 Date

Exhibit A
FEMA's Schedule of Equipment Rates

FEMA's SCHEDULE OF EQUIPMENT RATES

DEPARTMENT OF HOMELAND SECURITY
FEDERAL EMERGENCY MANAGEMENT AGENCY
RECOVERY DIRECTORATE
PUBLIC ASSISTANCE DIVISION
WASHINGTON, DC 20472

The rates on this Schedule of Equipment Rates are for applicant owned equipment in good mechanical condition, complete with all required attachments. Each rate covers all costs eligible under the Robert T. Stafford Disaster Relief and Emergency Assistance Act, 42 U.S.C. § 5121, et seq., for ownership and operation of equipment, including depreciation, overhead, all maintenance, field repairs, fuel, lubricants, tires, OSHA equipment and other costs incidental to operation. Standby equipment costs are not eligible.

Equipment must be in actual operation performing eligible work in order for reimbursement to be eligible. LABOR COSTS OF OPERATOR ARE NOT INCLUDED in the rates and should be approved separately from equipment costs.

Information regarding the use of the Schedule is contained in 44 CFR § 206.228 Allowable Costs. Rates for equipment not listed will be furnished by FEMA upon request. Any appeals shall be in accordance with 44 CFR § 206.206 Appeals.

THESE RATES ARE APPLICABLE TO MAJOR DISASTERS AND EMERGENCIES
DECLARED BY THE PRESIDENT ON OR AFTER August 15, 2019.

FEMA Code ID		Equipment Description					
Cost Code	Equipment	Specifications	Capacity or Size	HP	Notes	Unit	2019 Updated Rate
8010	Air Compressor	Air Delivery	41 CFM	to 10	Hoses included	hour	$ 1.62
8011	Air Compressor	Air Delivery	103 CFM	to 30	Hoses included.	hour	$ 9.86
8012	Air Compressor	Air Delivery	130 CFM	to 50	Hoses included.	hour	$ 12.49
8013	Air Compressor	Air Delivery	175 CFM	to 90	Hoses included.	hour	$ 20.98
8014	Air Compressor	Air Delivery	400 CFM	to 145	Hoses included.	hour	$ 32.13
8015	Air Compressor	Air Delivery	575 CFM	to 230	Hoses included	hour	$ 57.05
8016	Air Compressor	Air Delivery	1100 CFM	to 355	Hoses included.	hour	$ 95.60
8017	Air Compressor	Air Delivery	1600 CFM	to 500	Hoses included	hour	$ 98.65
8040	Ambulance			to 150		hour	$ 28.09
8041	Ambulance			to 210		hour	$ 41.18
8050	Board, Arrow			to 8	Trailer Mounted.	hour	$ 4.53
8051	Board, Message			to 5	Trailer Mounted	hour	$ 11.60
8060	Auger, Portable	Hole Diameter	16 in	to 6		hour	$ 2.34
8061	Auger, Portable	Hole Diameter	16 in	to 13		hour	$ 4.65
8062	Auger, Tractor Mntd	Max. Auger Diameter	36 in	to 13	Includes digger, boom and mounting hardware.	hour	$ 3.25
8063	Auger, Truck Mntd	Max. Auger Size	24 in	to 100	Includes digger, boom and mounting hardware. Add this rate to tractor rate for total auger and tractor rate.	hour	$ 34.93
8064	Hydraulic Post Driver					hour	$ 35.27
8065	Auger	Horizontal Directional Boring Machine	250 X 100	300	DD-140B YR-2003	hour	$ 172.29
8066	Auger	Horizontal Directional Boring Machine	50 X 100	24	Average to 7,000 lbs	hour	$ 33.83
8067	Auger, Directional Boring Machine	Auger, Directional Boring Machine	7,000 - 10,000 lbs	45	JT920L (2013)	hour	$ 41.04
8068	Bush Hog	Bush Hog - Model 326	Single Spindle Rotary Cutters			hour	$ 20.61
8068-1	Bush Hog	Bush Hog - Model 3210	Lift, Pull, Semi-Mount & Offset Model			hour	$ 28.74
8068-2	Bush Hog	Bush Hog - Model 2815	Flex Wing Rotary Cutters			hour	$ 43.17
8070	Automobile			to 130	Transporting people.	mile	$ 0.545
8071	Automobile			to 130	Transporting cargo.	hour	$ 12.43
8072	Automobile, Police			to 250	Patrolling.	mile	$ 0.545
8073	Automobile, Police			to 250	Stationary with engine running.	hour	$ 18.05
8075	Motorcycle, Police					mile	$ 0.505
8076	Automobile - Chevy Trailblazer	6 or 8 cl		285 to 300		hour	$ 23.99
8077	Automobile - Ford Expedition	Fire Command Center	EcoBoost V-6	360	2015 Model	hour	$ 19.62
8078	MRAP Armored Rescue Vehicle	Search and Rescue	Military Surplus Vehicle	375-450	Qualified for operational rate on	Hr.	$ 51.80
8079	MRAP C-MTV	Multi-Theater (Military Surplus)Vehicle	gvwr 55000 Lbs	to 350	Qualified for operational rate on	Hr	$ 48.35

SHERMAN CITY COUNCIL
Agenda Communication Form

City Council Called Meeting **F. 1.**

Meeting Date: 07/06/2021
Prepared By: Tom Pruitt, Utility Engineer
Approved By: Robby Hefton, City Manager

Caption:

REQUEST TO ADVERTISE
Setting Suns Drainage Improvements Phase II

Issue:

Requesting permission to advertise for bids for the Setting Suns Drainage Improvements Phase II

Background:

The Setting Sun Estates neighborhood was annexed into the City of Sherman in 1986. Over time, the residents in the neighborhood have experienced flooding to their property. This drainage project will help alleviate the flooding possibility to that area with proper design and construction. This is the phase II of the overall drainage project. Phase I of this project was completed in June of 2018. Staff is seeking permission to advertise for bids on construction of the Setting Suns Drainage Improvements Phase II.

Origination:

Engineering Department

Financial Consideration:

Project costs are expected to be about $65,000, and funding for the project will be through the Storm Water Fee fund. The cost of advertising is expected to be less than $500.00.

Staff Recommendation:

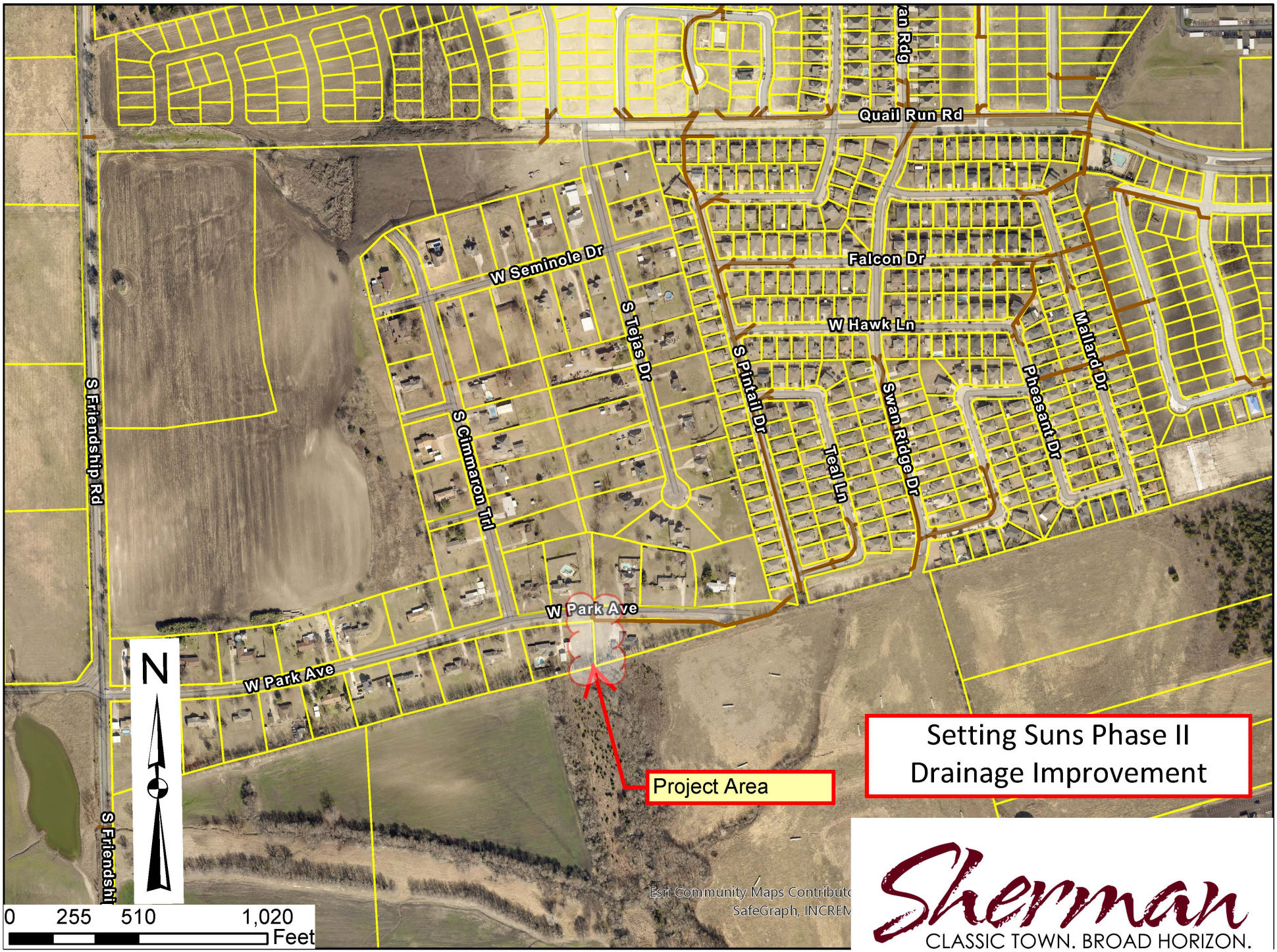
It is recommended that the City Council authorize the staff to advertise the project for bid.

Alternatives:

As may be directed by the City Council

Attachments

Location Map


Quail Run Rd
W Seminole Dr
Falcon Dr
W Hawk Ln
S Tejas Dr
S Pintail Dr
Swan Ridge Dr
Pheasant Dr
Mallard Dr
Teal Ln
S Cimmaron Trl
S Friendship Rd
W Park Ave
W Park Ave
N
Project Area
Setting Suns Phase II
Drainage Improvement
0 255 510 1,020
Feet
Esri Community Maps Contribut
SafeGraph, INCREM
Sherman
CLASSIC TOWN. BROAD HORIZON.

SHERMAN CITY COUNCIL
Agenda Communication Form

City Council Called Meeting **F. 2.**

Meeting Date: 07/06/2021

Prepared By: Kevin Winkler, Public Works Manager

Approved By: Robby Hefton, City Manager

Caption:

**** REQUEST TO ADVERTISE***

Request to Advertise for the Annual Supply of Tires for On-Road and Off-Road Fleet Equipment

Issue:

Approval of a request to advertise for the annual supply of tires for on-road and off-road fleet equipment

Background:

The City annually contracts to establish a price agreement for the purchase of tires for a variety of fleet units in service at the City. This pricing agreement addresses tire replacement needs of a multitude of on-road and off-road assets, including cars, trucks, trailers, and construction equipment.

Origination:

Equipment Maintenance

Financial Consideration:

Funding for the purchase of tires was approved in the fiscal year 2020-2021 budget. Advertising costs are estimated at $200.00.

Staff Recommendation:

Staff recommends that the City Council approve the advertising related to the annual purchase of tires.

Alternatives:

As may be directed by the City Council

SHERMAN CITY COUNCIL
Agenda Communication Form

City Council Called Meeting **G. 1.**

Meeting Date: 07/06/2021

Prepared By: Teri Fine, Assistant to the City Manager

Approved By: Robby Hefton, City Manager

Caption:

OTHER BUSINESS

Receive Quarterly Progress Report from Sherman Economic Development Corporation President Kent Sharp

Issue:

To receive the Sherman Economic Development Corporation (SEDCO) quarterly progress report from President Kent Sharp

Background:

The brief presentation by the SEDCO President will provide the City Council with an overview of SEDCO's activities and accomplishments during the period of April 2021 to the end of June 2021. SEDCO's last update for the quarterly period of January through March 2021 was presented at the April 5th City Council meeting

Origination:

City Council

Financial Consideration:

This presentation is for informational purposes only and has no impact on the City's revenues or expenses.

Staff Recommendation:

No action is required of the City Council.

Alternatives:

None recommended

Attachments

SEDCO's Quarterly Progress Report

REPORTING FORM FOR BOARDS AND COMMISSIONS

Name of Board: **Sherman Economic Development Corporation**

Name of Chair: Janie Bates
Name of Vice-Chair: Gail Utter

Date of Report to City Council: July 6, 2021

1. **In simple terms and as briefly as possible, please describe the mission of your board.**
   - *The mission of the Sherman Economic Development Corporation (SEDCO) is to grow and diversify the economy of Sherman and the surrounding area through the addition of new jobs and investment of primary employers.*

2. **Please list the top accomplishments of your board within the past quarter. (Please limit the list to five or fewer items).**
   - *SEDCO closed on the 10.33 acres at the corner of Howe and Dorsett Dr.*
   - *At the May Regular Scheduled Board Meeting, the SEDCO Board of Directors approved the following:*
     - *Resolution No. SEDCO-2021.04: A resolution authorizing funding for Eaton B-Line, Inc. for a project totaling $672,000.00. This project will expand Eaton's product offering in their Cable Tray Value stream. The new product will be geared toward the oil and gas market in the Gulf region and is aligned with the plant capabilities. The capex will involve new tooling and equipment purchases to support this new product line along with potential additional storage building for added volume of products.*
     - *Resolution No. SEDCO-2021.05: A resolution authorizing SEDCO to match grant dollars with Workforce Solutions Texoma and the Denison Development Alliance for two Career Education Specialists positions to assist with recruitment and retention of students for AMP, IMT, and other demand occupation training programs while educating the students, teachers, and counselors on targeted jobs in the region. The resolution states SEDCO to fund $53,125 into the local partnership, contingent on a $53,125 match from DDA and $106,250 match from the Workforce Career and Education Outreach Specialists through the Texas Workforce Commission. The total budget of $269,806 will cover salaries and benefits for two years, and the positions will be housed at Workforce Solutions Texoma.*
     - *Resolution No. SEDCO-2021.06: A resolution authorizing a contract with Alliance Architects to design a 78,750 sq. ft. speculative building with an expansion capability of an additional 22,680 sq. ft. for a total of 101,430 sq. ft. and funding of up to $105,250 and additional services, only if authorized by SEDCO, for architectural and reimbursable costs. Also authorized is solicitation of bids for the speculative building construction work.*
   - *At the May Special Called Board Meeting, the SEDCO Board of Directors approved the following:*
     - *Resolution No. SEDCO-2021.07: A resolution authorizing a contract with Strategic Construction to construct a 78,750 sq. ft. speculative building with an expansion capability of an additional 22,680 sq. ft. for a total of 101,430 sq. ft. and funding of*

up to $221,625 and additional services, only if authorized by SEDCO, for construction services and reimbursable costs. Also authorized is solicitation of bids for the speculative building construction work.

3. **What are your plans for this board in the next quarter?**
   - *Compete aggressively for the attraction of new jobs and investments to the city from existing Sherman employers and new companies, both nationally and internationally.*
   - *Work closely with companies that have announced new investments in Sherman to ensure they have the support to meet their goals and receive the incentives as identified in the Performance Agreements.*
   - *Kent will continue business retention and expansion visits to the Sherman industries and attend meetings for the Texas Economic Development Council (TEDC), Center for Workplace Learning (CWL), Advanced Manufacturing Program (AMP), North Texas Regional Airport (NTRA), United Way of Grayson County, Grayson Leadership Roundtable, and the Sherman Education Foundation.*
   - *Host Q3 Meetings with the Plant Managers, Safety Leaders and Human Resource Managers.*
   - *Contact each company with a job listing on shermantxjobs.com for updates. New listings will be boosted on Facebook.*
   - *Host an Information Luncheon for the Sherman loan officers and CPAs to learn more about the RISE Challenge. The 2021 Challenge is scheduled to launch September 1st.*
   - *Co-sponsor a lunch for representatives of the Sherman industries on July 27th to talk to them about restarting the AMP student tours at their facilities.*
   - *Sponsor the SISD New Teacher Luncheon on August 6th.*
   - *SEDCO and the City of Sherman will have its Annual Joint Meeting the second week of September to review the 2020-2021 Program of Work Results and the 2021-2022 Program of Work and Budget.*
   - *Co-sponsor the AMP Fall Kick-Off Celebration on September 14th.*
   - *Staff and board members will participate in an Economic Development Sales Tax Workshop in September.*
   - *To celebrate our 25th Anniversary, SEDCO will release a video that highlights Sherman's industrial history leading up to SEDCO's start and to present day.*

4. **How often did this board meet in the last quarter?**
   - *The SEDCO Board meets on the second Tuesday of each month and holds special called meetings when needed. Since our last report, the SEDCO Board held three regularly scheduled meetings (April 13th, May 11th, June 8th) and one special called meeting (May 25th).*

5. **In what percentage of those meetings was a quorum of board members present?**
   - *100%*

6. **Did any member attend less than 75% of those meetings? If so, which member and how often did they attend.**
   - *Board Member Jason Brumm was present for two of the four meetings.*

7. **What other information would your board like to communicate to the City Council? (please be concise in your response).**
   - *SEDCO is presently working 9 active projects with an estimated $1.3B in investments, approximately 2,196 new jobs, and 182 retained jobs.*

- *We completed two in-person site visits and one virtual prospect meeting.*
- *Kent had a preliminary meeting with the owner's representative, architects, and engineers for Modular Power Solutions' new expansion project.*
- *Kent, Board Member Scott Bandemir, and Ashton toured the ActiTech facility.*
- *Kent and Ashton toured and photographed a 24,000 SF building owned by Mueller Construction Company for future projects seeking existing industrial space.*
- *Updated the Available Sites marketing video to include Progress Park VIII, 115-acres located south and southeast of Emerson.*
- *Hosted the Summer Leadership Breakfast with industry, education, and community leaders.*
- *Continued the partnership with Grayson College CWL to offer no-cost training to full-time employees of Sherman-based, Type A businesses.*
- *Updated the Raising Innovative Sherman Entrepreneurs (RISE) Challenge collateral and met with Austin College representatives to create a marketing plan for the 2021 Challenge.*
- *Kent, Tony Kaai of the Denison Development Alliance, and Mark Anderson of Emerson visited the Sherman, Denison, Whitesboro, and Pottsboro High Schools to talk to the AMP students about continuing in the program.*
- *Kent assisted with the interviews for the Career Education Specialists positions. Britta Foote and Lucy Phillips were hired and started in June.*
- *Co-sponsored the Career Connection Job Fair with newspaper and Facebook ads. The job fair featured 54 employers and drew 211 job seekers.*
- *Contracted with Indoor Media to place shopping cart ads at Kroger to promote the Advanced Manufacturing Program. The 12-month campaign kicks off in July.*
- *The SEDCO staff participated in the TEDC Mid-Year Conference. Kent attended in-person in Frisco, while Ashton and Brandy participated in the virtual conference.*
- *Sponsored a total of 13 ads on Facebook promoting Progress Park, the Career Connection Job Fair, and job listings at the Sherman industries. We also sponsored two ads on LinkedIn targeting c-suite executives in California zip codes identified by the Gazelle AI software.*
- *Launched the 25th Anniversary logo and completed 10 interviews for the Anniversary video with Bill Elliott, Bill Douglass, Joe Brown, Janie Bates, Mark Anderson, Dean Gilbert, Frank Gadek, Terrence Steele, Kent Sharp, and David Chisum.*
- *Kent met with a consultant to discuss a disaster-preparedness plan through TCOG.*
- *Collected bids from firms to merge all three of SEDCO's websites into one new site. After an extensive review of each firm's proposal, SEDCO has selected Golden Shovel to complete the new website project. We plan to kick off development in July and launch the new site this fall.*
- *Kent attended the following meetings and events: TEDC Workforce and Finance Committee Meetings, Advanced Manufacturing Program Consortium Meeting, Grayson College CWL Advisory Board Meeting, Grayson Leadership Roundtable, United Way of Grayson County Board Meeting, Sherman Education Foundation Board Meeting, NTRA Steering Committee Meeting, RISE Aviation Groundbreaking, Workforce Solutions Texoma Ribbon Cutting, and the CWL Graduation Ceremony.*
- *Sponsored and set up a tee box at the Sherman Chamber Golf Tournament.*
- *Kent and Ashton participated in a TEDC webinar titled "The New Reality of Economic Development."*
- *The staff met with Kristi Lee of Workforce Solutions Texoma to learn more about the Chumura software.*

SHERMAN CITY COUNCIL
Agenda Communication Form

City Council Called Meeting **G. 2.**

Meeting Date: 07/06/2021

Prepared By: Teri Fine, Assistant to the City Manager

Approved By: Robby Hefton, City Manager

Caption:

OTHER BUSINESS

Consider Scheduling a Joint Meeting of the City Council and the Sherman Economic Development Corporation Board of Directors for 12:00 p.m. on Tuesday, September 14, 2021, to Review and Approve SEDCO's Annual Budget and Work Plan

Issue:

To consider scheduling a joint meeting of the City Council and the Sherman Economic Development Corporation (SEDCO) Board of Directors for 12:00 p.m. on Tuesday, September 14, 2021, to review and approve SEDCO's annual budget and work plan

Background:

The SEDCO Bylaws require an annual meeting of their Board of Directors with the City Council. Topics for consideration are (1) SEDCO's 2020-2021 Program of Work Results and (2) SEDCO's Proposed 2021-2022 Program of Work and Budget.

Origination:

SEDCO Board Chairman Janie Bates
SEDCO President Kent Sharp
City Manager Robby Hefton

Financial Consideration:

Annual budget for SEDCO after review and consideration by the City Council

Staff Recommendation:

It is recommended that the City Council schedule a joint meeting with the SEDCO Board of Directors for 12:00 p.m. on Tuesday, September 14th in the City Council Chambers.

Alternatives:

An alternate date, if needed, is Monday, September 13th.

Attachments

SEDCO's Join Meeting Request Dated May 24, 2021

SHERMAN
ECONOMIC DEVELOPMENT CORPORATION

May 24, 2021

Mr. David Plyler
Mayor, City of Sherman
220 W. Mulberry St.
Sherman, Texas 75090

Mayor Plyler:

The Bylaws of the Sherman Economic Development Corporation (SEDCO) require the organization to present an annual Program of Work and Budget to the Sherman City Council.

SEDCO requests a joint meeting of the SEDCO Board of Directors and Sherman City Council to be held at 12:00 p.m. on either Monday, September 13th or Tuesday, September 14th in the Council Chambers at City Hall.

At the meeting, SEDCO will present the 2020-2021 Program of Work Results and the Proposed 2021-2022 Program of Work and Budget.

Thank you for your consideration of this request.

Best Regards,

Kent Sharp
SEDCO President

SHERMAN ECONOMIC DEVELOPMENT CORPORATION
307 W. WASHINGTON, SUITE 102 - SHERMAN, TX 75090
PHONE:903-868-2566 • FAX:903-813-0403
WWW.SEDCO.ORG

SHERMAN CITY COUNCIL
Agenda Communication Form

City Council Called Meeting

Meeting Date: 07/06/2021

Approved By: Robby Hefton, City Manager

Caption:

COUNCIL CALENDAR

Attachments

Council Calendar 2021

2021
Council Calendar

January						
Su	Mo	Tu	We	Th	Fr	Sa
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31						

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28						

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	Holiday
	Holiday for Firefighters/Police Only
	City Council Regular Meeting
	City Council Called Meeting
	Special Called Meeting
	Budget Workshop
	Cancelled City Council Meeting

CALLED MEETINGS	
1/19/2021	Rescheduled - Martin Luther King, Jr. Day
4/23/2021	Called Budget Planning Meeting
5/27/2021	Called Capital Improvement Program Work Session
7/6/2021	Rescheduled - Independence Day
9/7/2021	Rescheduled - Labor Day