

**CITY OF SHERMAN
CITY COUNCIL REGULAR MEETING AGENDA
COUNCIL CHAMBERS OF THE CITY HALL
220 WEST MULBERRY STREET
SHERMAN, TEXAS
MONDAY, JUNE 21, 2021
5:00 P.M.**

- A. 1. CALL TO ORDER, QUORUM DETERMINED, MEETING DECLARED OPEN**
- A. 2. PLEDGE OF ALLEGIANCE LED BY COUNCIL MEMBER PAMELA L. HOWETH**
- A. 3. INVOCATION BY COUNCIL MEMBER PAMELA L. HOWETH**
- A. 4. APPROVE MINUTES OF THE REGULAR CITY COUNCIL MEETING OF JUNE 7, 2021**

Citizen Comments

B. 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

C. 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

Public Hearing

D. 1. INTRODUCTION AND PUBLIC HEARING OF ORDINANCE NO. 6393

Relating to Greater Texoma Utility Authority Contract Revenue Refunding Bonds, Series 2021 (City of Sherman Project); Approving the Issuance Thereof and the Refunding of Certain Outstanding Bonds of the Authority

Close Public Hearing and Consider Adoption of Ordinances

D. 2. ADOPTION OF ORDINANCES

Consider Adoption of Ordinance Number 6393

Resolutions

- E. 1. 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
- E. 2. 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
- E. 3. * RESOLUTION NO. 6748**
Authorizing Execution of a Professional Services Agreement with Garver, LLC for Wastewater Vulnerability Assessments
- E. 4. * 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

Change Orders

- F. 1. CHANGE ORDER NO. 2**
Lamberth Road Drainage Improvements Project; Lynn Vessels Construction, LLC; \$87,993.52 increase
- F. 2. CHANGE ORDER NO. 3**
West Travis Street Phase II & III Project; Lynn Vessels Construction, LLC.; \$97,997.61 Increase
- G. MEDIA QUESTIONS**
- H. 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
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.

The Council reconvenes into General Session

J. 1. OPEN MEETING

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

K. ADJOURNMENT

COUNCIL CALENDAR

CERTIFICATION

I, the undersigned authority, do hereby certify that the above Notice of Regular 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 June 18, 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 18th day of June, 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

David Plyler

Deputy Mayor

Daron Holland

Council Members

Willie Steele, Council-At-Large, PL #1

Sandra Melton, Council-At-Large, PL #2

Shawn C. Teamann, Council – District #1

Josh Stevenson, Council – District #2

Pamela L. Howeth, Council – District #3

Daron Holland, Council – District #4



SHERMAN CITY COUNCIL

Agenda Communication Form

City Council Regular Meeting

A. 4.

Meeting Date: 06/21/2021

Approved By: Robby Hefton, City Manager

Caption:

APPROVE MINUTES OF THE REGULAR CITY COUNCIL MEETING OF JUNE 7, 2021

Attachments

June 7, 2021

STATE OF TEXAS §
 June 7, 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 7, 2021.

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

MEMBERS ABSENT: NONE.

CALL TO ORDER

Mayor Plyler called the meeting to order at 5:00 p.m. The Pledge of Allegiance and Invocation were given by Council Member Sandra Melton.

CALL TO ORDER

APPROVE MINUTES

The Council reviewed the Minutes of the Called Budget Planning Meeting of April 23, 2021 and the Regular City Council Meeting of May 17, 2021. Council Member Melton moved to approve the Minutes, as presented; Second by Council Member Holland; All present voted AYE.
MOTION CARRIED.

APPROVE MINUTES

CITIZEN'S COMMENTS

There were no citizen's comments.

CITIZEN'S COMMENTS

CONSENT AGENDA

The Council reviewed the Consent Agenda. Mayor Plyler listed Items E-4, E-5, F-1, G-2, and G-12, which were listed on the Consent Agenda. Items G-1, G-3, G-4, G-5, G-6, G-7, G-8, G-9, G-10, and G-11 were on the Consent Agenda, and were being considered, subject to the Staff Review Letter.

CONSENT AGENDA

The wording has changed for some of the Consent Agenda items, and Mayor Plyler asked Ryan Pittman, Attorney, to explain the changes to the wording.

Mr. Pittman explained that some of the items mentioned are being approved conditionally, and are items such as Plats and Site Plans, that are approved "subject to the Staff Review Letter." The additional language which makes it clear, that it is a conditional approval, designates which items are approved subject to the Staff Review Letter.

Council Member Melton asked to remove Item E-4, entitled "Resolution 6744 – Designating the City Clerk as the Public Information Coordinator and Delegating to the City Clerk the Responsibility for Complying with the Training Requirements of Section 552.012 of the Texas Government Code on Behalf of all of Sherman's Public Officials Who are Subject to Such Requirements" and Item E-5, entitled "Resolution 6745 –

Authorizing the City Manager and Assistant City Manager Each to Sign on Behalf of the City of Sherman on All Matters Related to Banking and Treasury Management,” from the Consent Agenda for explanation.

Council Member Teamann moved to approve Items G-1, G-3, G-4, G-5, G-6, G-7, G-8, G-9, G-10, and G-11 on the Consent Agenda, subject to the Staff Review Letter. Second by Council Member Stevenson. All present voted AYE.

Council Member Melton moved to approve Items F-1, G-2, and G-12 on the Consent Agenda, as presented. Second by Council Member Stevenson. All present voted AYE.

RESOLUTION NO. 6744 – DESIGNATING THE CITY CLERK AS THE PUBLIC INFORMATION COORDINATOR AND DELEGATING TO THE CITY CLERK THE RESPONSIBILITY FOR COMPLYING WITH THE TRAINING REQUIREMENTS OF SECTION 552.012 OF THE TEXAS GOVERNMENT CODE ON BEHALF OF ALL OF SHERMAN’S PUBLIC OFFICIALS WHO ARE SUBJECT TO SUCH REQUIREMENTS

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, DESIGNATING THE CITY CLERK AS THE PUBLIC INFORMATION COORDINATOR AND DELEGATING TO THE CITY CLERK THE RESPONSIBILITY FOR COMPLYING WITH THE TRAINING REQUIREMENTS OF SECTION 552.012 OF THE TEXAS GOVERNMENT CODE ON BEHALF OF ALL OF SHERMAN’S PUBLIC OFFICIALS WHO ARE SUBJECT TO SUCH REQUIREMENTS.

**RES 6744
CITY CLERK AS
PUBLIC INFORMATION
COORDINATOR &
DELEGATING
TRAINING
REQUIREMENTS**

Council Member Melton asked to remove Resolution 6744 and 6745 from the Consent Agenda for explanation.

Mr. Pittman explained that this resolution designates the City Clerk as the Public Information Coordinator for receiving Public Information requests.

The Public Information Act also has a mandatory requirement that public officials take training on the requirements of the Public Information Act within 90 days of them taking office. The Act allows the City to designate a person to take that training on behalf of those public officials, should the elected official fail to do so.

He said it doesn’t mean the elected official doesn’t have to take the training, or that they’re not required too, it just means if they don’t take it in the required 90 days, that the City Clerk, as the Public Information Coordinator, has “checked that box” for them.

Council Member Melton clarified that all public information requests would come to the City Clerk, even the ones for the Police and Fire Departments. Mr. Pittman said, yes, that would be the one point of contact for all public information requests.

He added that “operationally,” if the City wanted to split up the duties, they could do that. He said, essentially, all requests will

go to the City Clerk's Office first. Operationally, it doesn't mean the City Clerk has to be the one to respond to those requests.

RESOLUTION NO. 6745 – AUTHORIZING THE CITY MANAGER AND ASSISTANT CITY MANAGER EACH TO SIGN ON BEHALF OF THE CITY OF SHERMAN ON ALL MATTERS RELATED TO BANKING AND TREASURY MANAGEMENT

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AUTHORIZING THE CITY MANAGER AND ASSISTANT CITY MANAGER EACH TO SIGN ON BEHALF OF THE CITY OF SHERMAN ON ALL MATTERS RELATED TO BANKING AND TREASURY MANAGEMENT.

Robby Hefton, City Manager, said Resolution 6745 is a "clean-up" item as well and originated with the Finance Department.

Mary Lawrence, Director of Finance, said this will allow some flexibility in the banking services. She introduced Brittany Melton, Dedicated Service Advisor, VP at Simmons Bank.

Ms. Melton said this was a "clean-up" from when Simmons Bank was Landmark Bank. They wanted to have a resolution on file designating the City Manager and Assistant City Manager, whoever that may be, as authorized to sign for the City.

Council Member Teamann verified that the Council would still be approving financial issues that were required to go before the City Council. Ms. Lawrence said this doesn't override anything that is required by Charter or by law, to be approved by the City Council.

ACTION TAKEN.

Motion by Council Member Stevenson to adopt Resolution Nos. 6744 and 6745, as presented. Second by Council Member Teamann.

VOTING AYE: Holland, Howeth, Melton, Steele, Stevenson, Teamann.

VOTING NAY: None.

MOTION CARRIED

PUBLIC HEARING

FINAL STATEMENT/ACTION PLAN FOR PROGRAM YEAR 2021 COMMUNITY DEVELOPMENT BLOCK GRANT

Ms. Lawrence said this was the public hearing for the FY 2022 Community Development Block Grant. The grant funds ten different agencies. It also funds a portion of the City's demolition program for substandard structures. This year, they are also funding a park improvement in the target area.

The current planned park improvement is restrooms at Martin Luther King, Jr. Park. CDBG money will not fund the entire renovation of the restrooms, so some additional General Fund money will be used.

The total grant is about \$378,000, and the resolution to approve the plan will be later in tonight's agenda.

RES 6745
AUTHORIZED
SIGNATURES FOR
BANKING & TREASURY
MANAGEMENT

COMMUNITY
DEVELOPMENT
BLOCK GRANT
PROGRAM YEAR 2021

No citizens appeared before the City Council to discuss the Final Statement/Action Plan for Program Year 2021 Community Development Block Grant.

PUBLIC HEARING

AMENDMENT TO THE FINAL STATEMENT/ACTION PLAN FOR THE COMMUNITY DEVELOPMENT BLOCK GRANT FOR PROGRAM YEAR 2019

COMMUNITY
DEVELOPMENT
BLOCK GRANT
AMENDMENT
PROGRAM YEAR 2019

Ms. Lawrence said this is similar to the last item, except this is the public hearing for an amendment to the 2019 Year Plan, which is the FY 2020 Plan. Last year the Council approved another amendment to the 2019 Plan because the City received an additional allocation from HUD for the CARES Grant, after the Block Grant Program.

The CARES Grant was to fund programs for citizens that were disproportionately affected by the COVID-19 pandemic. The first allotment of money was about \$215,000, and this one was about \$288,000.

Ms. Lawrence said this will fund about 10 different agencies and another park project, in the target area. The proposed project will be to purchase some property adjacent to Martin Luther King, Jr. Park to expand the park area.

No citizens appeared before the City Council to discuss the Amendment to the Final Statement/Action Plan for the Community Development Block Grant for Program Year 2019.

Mayor Plyler introduced Ordinance No. 6386 and called for a public hearing:

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AMENDING SECTION 12, ORDINANCE NO. 2280, SO AS TO INCLUDE CERTAIN PROPERTY WITHIN THE R-1 (ONE-FAMILY RESIDENTIAL) DISTRICT, LOCATED AT 1125 SOUTH MONTGOMERY STREET, BEING LOT 7, BLOCK 7, JONES & WAINRIGHT'S ADDITION (HYPERSTAR, INC., OWNER; DANISH SAMAD, REPRESENTATIVE, AND COPLEY LAND SURVEYING, INC., SURVEYOR); PROVIDING A PENALTY NOT TO EXCEED \$2,000.00; PROVIDING A REPEALING/SAVINGS CLAUSE, SEVERABILITY CLAUSE AND AN EFFECTIVE DATE.

ORD 6386
ZONE CHANGE
FOR RESIDENTIAL
(1125 S.
MONTGOMERY ST)

Rob Rae, Director of Development Services, said this is a zone change from C-1 to R-1, so the property owner can construct a single-family residential home on the site.

The Planning and Zoning Commission recommended approval of the zone change.

Danish Samad, 115 S. Travis, Ste 310

Mr. Samad appeared to represent the request and was available if the Council had any questions.

No other citizens appeared before the City Council to discuss Ordinance No. 6386.

Mayor Plyler introduced Ordinance No. 6387 and called for a public hearing:

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AMENDING SECTION 12, ORDINANCE NO. 2280, SO AS TO INCLUDE CERTAIN PROPERTY WITHIN THE R-2 (MULTI-FAMILY RESIDENTIAL) DISTRICT, LOCATED AT 515 AND 519 SOUTH FIRST STREET, BEING 0.402 ACRES IN THE SAMUEL BLAGG SURVEY, ABSTRACT NO. 56 AND BEING PART OF BLOCK 2 OF G.Y. GRAY'S SUPPLEMENT ADDITION AND BEING ALL OF LOTS 14, 15 AND THE NORTH 5.333 FEET OF LOT 16, BLOCK 2 EXCEPT THE NORTH 8 FEET OF LOT 14 AND ALL OF THE SOUTH 27.666 FEET OF LOT 16, BLOCK 2 (EARNHARTBUILT, LLC, OWNER; MORAN DEVELOPMENT, DEVELOPER, AND HELVEY-WAGNER SURVEYING, INC., SURVEYOR); PROVIDING A PENALTY NOT TO EXCEED \$2,000.00; PROVIDING A REPEALING/SAVINGS CLAUSE, SEVERABILITY CLAUSE AND AN EFFECTIVE DATE.

ORD 6387
ZONE CHANGE
FOR RESIDENTIAL
(515 & 519 S.
FIRST ST)

Mr. Rae said this item is for a zone change from C-2 to R-2, so the developer can build an eight unit, multi-family development. This project is being built on lots that were cleared as part of the City's substandard structure program, and will greatly improve what was there before.

The Planning and Zoning Commission recommended approval of the zone change.

No citizens appeared before the City Council to discuss Ordinance No. 6387.

Mayor Plyler introduced Ordinance No. 6388 and called for a public hearing:

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AMENDING SECTION 12, ORDINANCE NO. 2280, SO AS TO INCLUDE CERTAIN PROPERTY WITHIN THE R-1 (ONE-FAMILY RESIDENTIAL) DISTRICT, LOCATED IN THE 2400-2700 BLOCKS OF SOUTH FM 1417 (HERITAGE PARKWAY), BEING 43.727 ACRES IN THE ELIZABETH JONES SURVEY, ABSTRACT NO. 625 (ARC STX CO., LLC, OWNER; TESCH DEVELOPMENT & MANAGEMENT CO., LLC, PROSPECTIVE BUYER; ROBERT TESCH, REPRESENTATIVE, PAPE-DAWSON ENGINEERS, CIVIL ENGINEERS, AND PIERCE-MURRAY LAND SOLUTIONS, SURVEYOR); PROVIDING A PENALTY NOT TO EXCEED \$2,000.00; PROVIDING A REPEALING/SAVINGS CLAUSE, SEVERABILITY CLAUSE AND AN EFFECTIVE DATE.

ORD 6388
ZONE CHANGE
FOR RESIDENTIAL
(2400-2700 BLOCKS
OF S. FM 1417)

Mr. Rae said this item is for a zone change from R-A and M-1 zoning to R-1 zoning. The requestor recently appeared before City Council for a multi-family project on this site, that was denied. He is now applying for a single family project.

The Planning and Zoning Commission recommended approval of the zone change.

No citizens appeared before the City Council to discuss Ordinance No. 6388.

Mayor Plyler introduced Ordinance No. 6389 and called for a public hearing:

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AMENDING SECTION 8, SUBSECTION (5)(A), ORDINANCE NO. 2280, REPEALING ORDINANCE NO. 6132 AND GRANTING A SPECIFIC USE PERMIT TO ALLOW PATIO HOMES ON LOTS 12R-1 AND 12R-2 OF THE PROPOSED REPLAT OF LOT 12, BLOCK C OF THE AMENDED PLAT OF MAGNOLIA VILLAGE AND LOTS 1-5, BLOCK A, LOTS 1-19, BLOCK B, LOTS 1-11 AND 13-21, BLOCK C AMENDED PLAT OF MAGNOLIA VILLAGE FOR A TOTAL OF 46 PATIO HOMES IN AN R-1 (ONE-FAMILY RESIDENTIAL) DISTRICT AT 502 EAST NORTHCREEK DRIVE, 4706-4723 INDIO LANE, 400-516 CARNEROS DRIVE, 4701-4733 DRY CREEK ROAD, 400-505 SONOMA COURT (HOMES BY JLS OF TEXOMA LLC, OWNER; AND HELVEY-WAGNER SURVEYING, INC., SURVEYOR); PROVIDING THAT THIS SPECIFIC USE PERMIT SHALL BE GRANTED SUBJECT TO CERTAIN CONDITIONS; PROVIDING A PENALTY NOT TO EXCEED \$2,000.00.

ORD 6389
SUP FOR PATIO
HOMES AT
MAGNOLIA VILLAGE
(NORTHCREEK, INDIO,
CARNEROS, DRY
CREEK, SONOMA
COURT)

Mr. Rae said this item is for a Specific Use Permit to expand Magnolia Village to include an additional patio home on Lot 12R.

The current SUP includes one patio home on Lot 12, and the owner would like to amend that SUP to include Lot 12R-1 and 12R-2 to allow the additional patio home.

The Planning and Zoning Commission recommended approval of the Specific Use Permit.

Jason Bassermann, 3409 Heritage Parkway

Mr. Bassermann is the owner of JLS Homes, and was available to answer any questions the Council might have.

No other citizens appeared before the City Council to discuss Ordinance No. 6389

Mayor Plyler introduced Ordinance No. 6390 and called for a public hearing:

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AMENDING SECTION 8, SUBSECTION (5)(A), ORDINANCE NO. 2280, REPEALING ORDINANCE NO. 6323 AND GRANTING A SPECIFIC USE PERMIT TO ALLOW 38 PATIO HOMES ON LOTS 1-12, 14-26 AND 28-30, BLOCK 1 AND LOTS 1-10, BLOCK 2 OF THE PROPOSED COTTAGES AT MAGNOLIA VILLAGE IN AN R-1 (ONE-FAMILY RESIDENTIAL) DISTRICT IN THE 500 BLOCK OF EAST NORTHCREEK DRIVE (YOUNG ENTERPRISES, LP, OWNER; AND HELVEY-WAGNER SURVEYING, INC., SURVEYOR); PROVIDING THAT THIS SPECIFIC USE PERMIT SHALL BE GRANTED SUBJECT TO CERTAIN CONDITIONS; PROVIDING A PENALTY NOT TO EXCEED \$2,000.00.

ORD 6390
SUP FOR PATIO
HOMES AT COTTAGES
AT MAGNOLIA
VILLAGE
(500 BLOCK OF
NORTHCREEK DR)

Mr. Rae said this item is also repealing a previous Specific Use Permit for patio homes because the developer has changed their plat. This change will be to reduce the number of patio homes

COUNCIL MINUTES – JUNE 7, 2021

by one. With the change, there will be 38 patio homes instead of 39.

The Planning and Zoning Commission recommended approval of the Specific Use Permit.

No citizens appeared before the City Council to discuss Ordinance No. 6390.

Mayor Plyler introduced Ordinance No. 6391 and called for a public hearing:

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AMENDING SECTION 8, SUBSECTION (5)(A), ORDINANCE NO. 2280, SO AS TO GRANT A SPECIFIC USE PERMIT TO ALLOW WINE TASTING AND BOTTLING OF ALCOHOLIC BEVERAGES IN A C-2 (GENERAL COMMERCIAL) DISTRICT/CENTRAL BUSINESS DISTRICT AT 212 NORTH WALNUT STREET, BEING 0.304 ACRES IN THE J.B. McANAIR SURVEY, ABSTRACT NO. 763 AND BEING PART OF LOTS 7, 8 & 9, BLOCK D, T.J. SHANNON SUPPLEMENT (EVEREST, LLC, OWNER; MONT TAYLOR, APPLICANT, TEXAS GIFT WINERY, LLC DBA RIO TO RED WINERY, TENANT, AND COPLEY LAND SURVEYING, SURVEYOR); PROVIDING THAT THIS SPECIFIC USE PERMIT SHALL BE GRANTED SUBJECT TO CERTAIN CONDITIONS; PROVIDING A PENALTY NOT TO EXCEED \$2,000.00.

ORD 6391
SUP FOR WINE
TASTING &
BOTTLING
(212 N. WALNUT ST)

Mr. Rae said this item is for a Specific Use Permit for wine tasting and bottling of alcoholic beverages in a C-2 zone. The winery will be in a large open area that is 346 square feet. The production area for bottling would be in the back and is 809 square feet.

The Planning and Zoning Commission recommended approval of the Specific Use Permit.

Mont Taylor, 289 Westridge Dr., Denison

Mr. Taylor is the applicant for the Specific Use Permit, and appeared representing the request. He was available if Council Members had any questions.

No other citizens appeared before the City Council to discuss Ordinance No. 6391.

Mayor Plyler introduced Ordinance No. 6392 and called for a public hearing:

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AMENDING CHAPTER 4 OF THE CODE OF ORDINANCES (BUSINESS REGULATIONS), ARTICLE 4.14 (ALCOHOLIC BEVERAGES), DIVISION 3 (UNLAWFUL CONSUMPTION), SECTION 4.14.064 (CONSUMPTION OR POSSESSION IN PARKS PROHIBITED) TO PROHIBIT THE POSSESSION AND CONSUMPTION OF ALCOHOLIC BEVERAGES ON THE PREMISES OF A CITY PARK, RECREATION AREA OR OTHER PUBLIC OPEN SPACE OR

ORD 6392
CONSUMPTION OF
ALCOHOLIC
BEVERAGE IN
CITY PARK

FACILITY; PROVIDING A REPEALING CLAUSE, A SEVERABILITY CLAUSE AND A PENALTY CLAUSE; PROVIDING A PENALTY NOT TO EXCEED \$2,000.00.

Mr. Hefton said this issue was brought to their attention as they started talking about the Celtic Festival this year. This year, they plan to hold the Festival at Pecan Grove West.

In discussions with Mr. Pittman, he said there were several issues about how alcohol was prohibited on different premises, that might be unenforceable. This agenda item also “cleans that up” and makes the City ordinance more enforceable. Those two issues were the impetus for this ordinance.

No other citizens appeared before the City Council to discuss Ordinance No. 6392.

The Public Hearing was closed.

ADOPTION OF ORDINANCES

Ordinance 6386

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AMENDING SECTION 12, ORDINANCE NO. 2280, SO AS TO INCLUDE CERTAIN PROPERTY WITHIN THE R-1 (ONE-FAMILY RESIDENTIAL) DISTRICT, LOCATED AT 1125 SOUTH MONTGOMERY STREET, BEING LOT 7, BLOCK 7, JONES & WAINRIGHT'S ADDITION (HYPERSTAR, INC., OWNER; DANISH SAMAD, REPRESENTATIVE, AND COPLEY LAND SURVEYING, INC., SURVEYOR); PROVIDING A PENALTY NOT TO EXCEED \$2,000.00; PROVIDING A REPEALING/SAVINGS CLAUSE, SEVERABILITY CLAUSE AND AN EFFECTIVE DATE.

ORD 6386
ZONE CHANGE
FOR RESIDENTIAL
(1125 S.
MONTGOMERY ST)

Ordinance 6387

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AMENDING SECTION 12, ORDINANCE NO. 2280, SO AS TO INCLUDE CERTAIN PROPERTY WITHIN THE R-2 (MULTI-FAMILY RESIDENTIAL) DISTRICT, LOCATED AT 515 AND 519 SOUTH FIRST STREET, BEING 0.402 ACRES IN THE SAMUEL BLAGG SURVEY, ABSTRACT NO. 56 AND BEING PART OF BLOCK 2 OF G.Y. GRAY'S SUPPLEMENT ADDITION AND BEING ALL OF LOTS 14, 15 AND THE NORTH 5.222 FEET OF LOT 16, BLOCK 2 EXCEPT THE NORTH 8 FEET OF LOT 14 AND ALL OF THE SOUTH 27.666 FEET OF LOT 16, BLOCK 2 (EARNHARTBUILT, LLC, OWNER; MORAN DEVELOPMENT, DEVELOPER, AND HELVEY-WAGNER SURVEYING, INC., SURVEYOR); PROVIDING A PENALTY NOT TO EXCEED \$2,000.00; PROVIDING A REPEALING/SAVINGS CLAUSE, SEVERABILITY CLAUSE AND AN EFFECTIVE DATE.

ORD 6387
ZONE CHANGE
FOR RESIDENTIAL
(515 & 519 S.
FIRST ST)

Ordinance 6388

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AMENDING SECTION 12, ORDINANCE NO. 2280, SO AS TO INCLUDE CERTAIN PROPERTY WITHIN THE R-1 (ONE-FAMILY RESIDENTIAL) DISTRICT, LOCATED IN THE 2400-2700 BLOCKS OF SOUTH FM 1417 (HERITAGE PARKWAY), BEING 43.727 ACRES IN THE ELIZABETH JONES SURVEY,

ORD 6388
ZONE CHANGE
FOR RESIDENTIAL
(2400-2700 BLOCKS
OF S. FM 1417)

ABSTRACT NO. 625 (ARC STX CO., LLC, OWNER; TESCH DEVELOPMENT & MANAGEMENT CO., LLC, PROSPECTIVE BUYER; ROBERT TESCH, REPRESENTATIVE, PAPE-DAWSON ENGINEERS, CIVIL ENGINEERS, AND PIERCE-MURRAY LAND SOLUTIONS, SURVEYOR); PROVIDING A PENALTY NOT TO EXCEED \$2,000.00; PROVIDING A REPEALING/SAVINGS CLAUSE, SEVERABILITY CLAUSE AND AN EFFECTIVE DATE.

Council Member Steele asked if a detention pond would be considered required open space. Mr. Rae said it would not be considered open space, unless it had a pond feature, or trails around it.

Council Member Steele confirmed that Cottages at Magnolia Village has a detention pond that is designated as open space, but it features a fountain and some other amenities. Mr. Rae said both of the patio home Specific Use Permits tonight were done prior to the recent changes to the zoning ordinance, and were under the 50-household threshold. They weren't technically required to provide open space.

Council Member Steele asked how that applied to this development on FM 1417. He said there is a 7.3 acre detention pond and only 1.1 acres of actual greenspace. He asked what the determination was there.

Mr. Rae said for this situation of the zone change, they aren't looking at open space, because they aren't requesting patio homes. There is an application to the Planning and Zoning Commission to request patio homes, but this request is not for patio homes.

Council Member Stevenson felt that open space, should be usable by the public. Generally, they felt detention spaces were not large enough to be considered open space.

Mr. Philpot added that open space needs to be usable by the public. A creek that has a slope and erosion problems couldn't be considered open space. But if it's a creek that is "wide open" with a trail, that could be considered open space.

Council Member Steele verified that the Cottages of Magnolia Village didn't have any open space, but that was prior to the ordinance change.

Ordinance 6389

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AMENDING SECTION 8, SUBSECTION (5)(A), ORDINANCE NO. 2280, REPEALING ORDINANCE NO. 6132 AND GRANTING A SPECIFIC USE PERMIT TO ALLOW PATIO HOMES ON LOTS 12R-1 AND 12R-2 OF THE PROPOSED REPLAT OF LOT 12, BLOCK C OF THE AMENDED PLAT OF MAGNOLIA VILLAGE AND LOTS 1-5, BLOCK A, LOTS 1-19, BLOCK B, LOTS 1-11 AND 13-21, BLOCK C AMENDED PLAT OF MAGNOLIA VILLAGE FOR A TOTAL OF 46 PATIO HOMES IN AN R-1 (ONE-FAMILY RESIDENTIAL) DISTRICT AT 502 EAST NORTHCREEK DRIVE,

ORD 6389
SUP FOR PATIO
HOMES AT
MAGNOLIA VILLAGE
(NORTHCREEK, INDIO,
CARNEROS, DRY
CREEK, SONOMA
COURT)

4706-4723 INDIO LANE, 400-516 CARNEROS DRIVE, 4701-4733 DRY CREEK ROAD, 400-505 SONOMA COURT (HOMES BY JLS OF TEXOMA LLC, OWNER; AND HELVEY-WAGNER SURVEYING, INC., SURVEYOR); PROVIDING THAT THIS SPECIFIC USE PERMIT SHALL BE GRANTED SUBJECT TO CERTAIN CONDITIONS; PROVIDING A PENALTY NOT TO EXCEED \$2,000.00.

Ordinance 6390

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AMENDING SECTION 8, SUBSECTION (5)(A), ORDINANCE NO. 2280, REPEALING ORDINANCE NO. 6323 AND GRANT A SPECIFIC USE PERMIT TO ALLOW 38 PATIO HOMES ON LOTS 1-12, 14-26 AND 28-30, BLOCK 1 AND LOTS 1-10, BLOCK 2 OF THE PROPOSED COTTAGES AT MAGNOLIA VILLAGE IN AN R-1 (ONE-FAMILY RESIDENTIAL) DISTRICT IN THE 500 BLOCK OF EAST NORTHCREEK DRIVE (YOUNG ENTERPRISES, LP, OWNER; AND HELVEY-WAGNER SURVEYING, INC., SURVEYOR); PROVIDING THAT THIS SPECIFIC USE PERMIT SHALL BE GRANTED SUBJECT TO CERTAIN CONDITIONS; PROVIDING A PENALTY NOT TO EXCEED \$2,000.00.

ORD 6390
SUP FOR PATIO
HOMES AT COTTAGES
AT MAGNOLIA
VILLAGE
(500 BLOCK OF
NORTHCREEK DR)

Ordinance 6391

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AMENDING SECTION 8, SUBSECTION (5)(A), ORDINANCE NO. 2280, SO AS TO GRANT A SPECIFIC USE PERMIT TO ALLOW WINE TASTING AND BOTTLING OF ALCOHOLIC BEVERAGES IN A C-2 (GENERAL COMMERCIAL) DISTRICT/CENTRAL BUSINESS DISTRICT AT 212 NORTH WALNUT STREET, BEING 0.304 ACRES IN THE J.B. McANAIR SURVEY, ABSTRACT NO. 763 AND BEING PART OF LOTS 7, 8 & 9, BLOCK D, T.J. SHANNON SUPPLEMENT (EVEREST, LLC, OWNER; MONT TAYLOR, APPLICANT, TEXAS GIFT WINERY, LLC DBA RIO TO RED WINERY, TENANT, AND COPLEY LAND SURVEYING, SURVEYOR); PROVIDING THAT THIS SPECIFIC USE PERMIT SHALL BE GRANTED SUBJECT TO CERTAIN CONDITIONS; PROVIDING A PENALTY NOT TO EXCEED \$2,000.00.

ORD 6391
SUP FOR WINE
TASTING &
BOTTLING
(212 N. WALNUT ST)

Ordinance 6392

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AMENDING CHAPTER 4 OF THE CODE OF ORDINANCES (BUSINESS REGULATIONS), ARTICLE 4.14 (ALCOHOLIC BEVERAGES), DIVISION 3 (UNLAWFUL CONSUMPTION), SECTION 4.14.064 (CONSUMPTION OR POSSESSION IN PARKS PROHIBITED) TO PROHIBIT THE POSSESSION AND CONSUMPTION OF ALCOHOLIC BEVERAGES ON THE PREMISES OF A CITY PARK, RECREATIONAL AREA OR OTHER PUBLIC OPEN SPACE OR FACILITY; PROVIDING A REPEALING CLAUSE, A SEVERABILITY CLAUSE AND A PENALTY CLAUSE; PROVIDING A PENALTY NOT TO EXCEED \$2,000.00.

ORD 6392
CONSUMPTION OF
ALCOHOLIC
BEVERAGE IN
CITY PARK

Council Member Melton asked for clarification about a City event and having alcohol at that event.

Mr. Hefton explained that this ordinance would regulate alcohol on City property, and any program, City sponsored or not, would need to request permission from the City to provide alcohol on City property. Which is the only thing the City can regulate.

He said it came up during plans for the Celtic Festival. Rob Ballew, Police Detective, and organizer of the Celtic Festival, said their event has been going on for five years, even though it was canceled last year because of COVID. It is normally held in March, but was moved to September 2021, and will be held at Pecan Grove Park.

He said alcohol is served at all Celtic events. Their event does have security from the Police Department, and they've never had any major issue from alcohol consumption. He said Robert and Sherry Little, owners of the Old Iron Post, handle all of the alcohol for the event, with a trained staff.

By approving the ordinance, it will allow the police to enforce the ordinances in City parks and open spaces. It would still be at the discretion of the City Manager.

Council Member Stevenson asked that, as it stands now, if someone was drinking in the City park, without passing this ordinance, the police couldn't do anything. Detective Ballew said there are laws that could be enforced that deal with that, but it also opens up the opportunity for some other events that are City sponsored to be held, like they are in the downtown area.

Mr. Hefton said the staff wants a centralized way to track events with alcohol that are held on City property. The Texas Alcoholic Beverage Commission is really the agency that governs and dictates the rules for alcohol, and a permit from them would still be required. This just adds clarity on the City's part and cleans up some things in the ordinance that the City was not allowed to do. It also clarifies the use of the City park for the Celtic Festival.

Council Member Teamann clarified that it also would include downtown events. Nate Strauch, Community and Support Services Manager, said the City has to give written permission for the events that have alcohol and are held downtown. He said there are multiple checks and balances.

Council Member Howeth asked if the ordinance was approved, would signs be posted in the parks saying alcohol could not be consumed in the parks without permission.

Ryan Pittman, Attorney, explained that, currently there is an ordinance that says there will be no consumption in City parks. The problem is that the ordinance is "overly broad" and says the City has authority to regulate possession and consumption elsewhere. The Alcoholic Beverage Code preempts the City's authority to regulate alcohol consumption and possession on property that it does not own.

For example, the City doesn't have the authority to regulate alcohol consumption and possession at athletic events on Sherman Independent School District property.

This ordinance will help the Police Department better understand what they can and cannot enforce, and cleans up the ordinance so it is more consistent with State law. It would not be a change as to whether or not alcohol consumption is allowed in parks. It just clarifies that the City's authority is more narrow, and provides for some exceptions, such as with special events.

Council Member Howeth mentioned that there was alcohol at the last Hot Summer Nights event.

Zach Flores, Police Chief, said the new ordinance doesn't change the "spirit of the ordinance." The current City ordinance is outdated and there are problems when there is an overly broad ordinance. The proposed ordinance allows an avenue for permitting. He said, as far as signs, the standards are still the same.

Council Member Howeth felt like citizens should be aware of the rules and the City should clarify when and where it can be done.

ACTION TAKEN.

Motion by Council Member Stevenson to adopt Ordinance Nos. 6386, 6387, 6388, 6389, 6390, 6391, and 6392, as presented. Second by Council Member Melton.

VOTING AYE: Holland, Howeth, Melton, Steele, Stevenson, Teamann.

VOTING NAY: None.

MOTION CARRIED.

RESOLUTION NO. 6741 – AUTHORIZING PUBLICATION OF THE PROPOSED FINAL STATEMENT/ACTION PLAN FOR THE COMMUNITY DEVELOPMENT BLOCK GRANT FOR PROGRAM YEAR 2021; AUTHORIZING SUBMISSION OF THE BLOCK GRANT APPLICATION; AUTHORIZING EXECUTION OF CERTIFICATIONS OF COMPLIANCE IN CONNECTION WITH THE ADMINISTRATION AND CONDUCT OF THE COMMUNITY DEVELOPMENT PROGRAM FOR PROGRAM YEAR 2021

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AUTHORIZING PUBLICATION OF THE PROPOSED FINAL STATEMENT/ACTION PLAN FOR THE COMMUNITY DEVELOPMENT BLOCK GRANT FOR PROGRAM YEAR 2021; AUTHORIZING SUBMISSION OF THE BLOCK GRANT APPLICATION; AUTHORIZING EXECUTION OF CERTIFICATIONS OF COMPLIANCE IN CONNECTION WITH THE ADMINISTRATION AND CONDUCT OF THE COMMUNITY DEVELOPMENT PROGRAM FOR PROGRAM YEAR 2021.

Council Member Melton had questions about Resolution 6741 and 6742, concerning the Community Development Block Grants.

**RES 6741
COMMUNITY
DEVELOPMENT
BLOCK GRANT
PROGRAM YEAR 2021**

She asked if the organizations that would be receiving the funding had requested it or if the City just “delegates to whomever.”

Ms. Lawrence confirmed that the agencies request funding from the City, by submitting an application that meets certain criteria, as set forth by the grant.

Council Member Melton asked about the deadline date of July 8, 2021, that’s set forth in the resolution, for recipients to contact. Teri Fine, Assistant to the City Manager, explained that the July 8, 2021 date is actually the end of the public comment period, and is not for submittal of applications for funding. Ms. Lawrence reiterated that no additional applications can be submitted. The July 8, 2021 date is only for comments on the plan.

Council Member Teamann asked about the normal deadline for applications from entities applying for funding. Ms. Lawrence said the deadline was actually extended this year because they had some organizations contact them at the last minute about funding. She said the deadline was closed about a month ago. She said there are a lot of restrictions on the funding, so many organizations won’t qualify.

Ms. Lawrence said the Community Development Block Grant is approved by resolution and not ordinance. This resolution is for CDBG Program Year 2021.

ACTION TAKEN.

Motion by Council Member Howeth to adopt Resolution No. 6741, as presented. Second by Council Member Melton.

VOTING AYE: Holland, Howeth, Melton, Steele, Stevenson, Teamann.

VOTING NAY: None.

MOTION CARRIED.

RESOLUTION NO. 6742 – AUTHORIZING PUBLICATION OF THE PROPOSED AMENDMENT TO THE FINAL STATEMENT/ACTION PLAN FOR THE COMMUNITY DEVELOPMENT BLOCK GRANT FOR PROGRAM YEAR 2019; AUTHORIZING SUBMISSION OF THE BLOCK GRANT APPLICATION; AUTHORIZING EXECUTION OF CERTIFICATIONS OF COMPLIANCE IN CONNECTION WITH THE ADMINISTRATION AND CONDUCT OF THE COMMUNITY DEVELOPMENT PROGRAM FOR PROGRAM YEAR 2019

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AUTHORIZING PUBLICATION OF THE PROPOSED AMENDMENT TO THE FINAL STATEMENT/ACTION PLAN FOR THE COMMUNITY DEVELOPMENT BLOCK GRANT FOR PROGRAM YEAR 2019; AUTHORIZING SUBMISSION OF THE BLOCK GRANT APPLICATION; AUTHORIZING EXECUTION OF CERTIFICATIONS OF COMPLIANCE IN CONNECTION WITH THE ADMINISTRATION AND CONDUCT OF THE COMMUNITY DEVELOPMENT PROGRAM FOR PROGRAM YEAR 2019.

RES 6742
AMENDMENT TO
COMMUNITY
DEVELOPMENT
BLOCK GRANT
PROGRAM YEAR 2019

Ms. Lawrence said this resolution approves the additional CARES Act funding for Program Year 2019.

ACTION TAKEN.

Motion by Council Member Melton to adopt Resolution No. 6742, as presented. Second by Council Member Stevenson.

VOTING AYE: Holland, Howeth, Melton, Steele, Stevenson, Teamann.

VOTING NAY: None.

MOTION CARRIED.

RESOLUTION NO. 6743 – 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

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.

RES 6743
SALE OF CITY
OWNED PROPERTY
(W. TRAVIS STREET
& FM 1417)
(TABLED)

Mr. Hefton said this resolution would give the City Manager the authority to sign the necessary documents for the sale of this property. The attorneys are still working to get the contract and the documents “cleaned up.”

One bid was received, in the amount of \$3.655 million. The property will be conveyed by warranty deed or similar conveyance. The bid was higher than the minimum set for sale of the property. Money from the sale will be used for other purposes in the General Fund.

Council Member Melton said the proposed contract is marked as “draft” but there is a clause that says the buyer may assign the contract to a related party.

Mr. Pittman said that is one of the items that he and Mr. Hefton are working through, and deciding whether or not that is appropriate. He said this resolution would give the City Manager the authority to sign the contract documents once they are completed. If the Council would like to have those documents come back to them for consideration, they can do that too.

Council Member Melton said she would like to see the contract completed and finalized before she approves it.

Mayor Plyler asked Council Members if they wanted to table Resolution 6743. Mr. Hefton said the closing date is August 3, 2021, so there is time to bring it back to the Council. Mr. Pittman recommended that the resolution be tabled if they wanted to see the final contract.

COUNCIL MINUTES – JUNE 7, 2021

ACTION TAKEN.

Motion by Council Member Melton to table Resolution No. 6743, as presented. Second by Council Member Stevenson.
VOTING AYE: Holland, Howeth, Melton, Steele, Stevenson, Teamann.

VOTING NAY: None.

MOTION CARRIED TO TABLE.

REQUEST TO ADVERTISE

REQUEST TO ADVERTISE FOR THE ANNUAL SUPPLY OF TIRES FOR ON-ROAD AND OFF-ROAD FLEET EQUIPMENT

The City Council approved the request to advertise for the annual supply of tires for on-road and off-road fleet equipment for FY 2020-2021. The agreement will provide tire replacement needs for cars, trucks, trailers, and construction equipment.

CONSENT AGENDA.

REQ TO ADVERTISE
ANNUAL SUPPLY
OF TIRES

OTHER BUSINESS

FINAL PLAT APPROVAL OF HERITAGE COURT ADDITION, BEING 8.538 ACRES IN THE ELIZABETH JONES SURVEY, ABSTRACT NO. 625; SSCGC HOLDINGS, LLC, OWNER; BLUESTONE PARTNERS, LLC, DEVELOPER AND UNDERWOOD DRAFTING AND SURVEYING, SURVEYOR (900-1000 BLOCKS SOUTH FM 1417 (HERITAGE PARKWAY)

The City Council approved the Final Plat of the Heritage Court Addition, an 8.538 acre tract located in the 900 to 1000 blocks of South FM 1417.

APPROVE FINAL PLAT
HERITAGE COURT
ADDITION
(900-1000 BLOCKS
S. FM 1417)

The property is zoned an R-2 (Multi-Family Residential) District, and is located in the O-1.1 (FM 1417) Overlay District. The owner would like to plat the property into one lot for residential development of an apartment complex.

The Planning and Zoning Commission recommended approval of the Final Plat, subject to the Staff Review Letter.
CONSENT AGENDA.

CONSIDER CALLING A SPECIAL MEETING OF THE CITY COUNCIL FOR TUESDAY, JULY 6, 2021, DUE TO CONFLICT WITH A FEDERAL HOLIDAY

The City Council called a Special Meeting for Tuesday, July 6, 2021, at 5:00 p.m., due to a conflict with a Federal holiday, Independence Day.

SET CALLED MEETING
FOR TUESDAY,
JULY 6, 2021

The regular date for the Council Meeting would be on Monday, July 5, 2021. The City will be closed that day to observe the Independence Day holiday.

CONSENT AGENDA.

REPLAT APPROVAL OF LOTS 15, 16, 17 & 18 OF MRS. H.M. SUMMER'S FIRST ADDITION, BEING ALL OF LOTS 15, 16, 17 AND 18 OF MRS. H.M. SUMMER'S FIRST ADDITION; ROSEWELL PROPERTIES, LLC, OWNER; AND COPLEY LAND SURVEYING, SURVEYOR (809 EAST JONES STREET)

APPROVE REPLAT
MRS. H.M. SUMMER'S
FIRST ADDITION
(809 E. JONES ST)

COUNCIL MINUTES – JUNE 7, 2021

The City Council approved the Replat of Lots 15, 16, 17, and 18, of Mrs. H.M. Summer's First Addition, located at 809 East Jones Street.

The property is zoned an R-1 (One Family Residential) District. An exception to allow two 50' wide lots was approved at the May 18, 2021 Planning and Zoning Commission Meeting. The owner would like to replat the property into two 50' wide lots for residential development.

The Planning and Zoning Commission recommended approval of the Replat, subject to the Staff Review Letter.
CONSENT AGENDA.

REPLAT APPROVAL OF SHERMAN CROSSROADS, PHASE II, LOTS 30 AND 6R-2, BLOCK 2, BEING 5.727 ACRES IN THE PRESTON KITCHEN SURVEY, ABSTRACT NO. 667 AND BEING ALL OF LOT 6, BLOCK 2, SHERMAN CROSSROADS, PHASE II, LOTS 1R-1 AND 6; SHERMAN CROSSROADS, LTD, OWNER; AND A&W SURVEYING, SURVEYOR (3400-3500 BLOCKS OF SOUTH U.S. HIGHWAY 75)

APPROVE REPLAT
SHERMAN
CROSSROADS,
PHASE II
(3400-3500 BLOCK
S. HWY 75)

The City Council approved the Replat of the Sherman Crossroads, Phase II, a 5.727 acre tract located in the 3400 to 3500 blocks of South Hwy 75.

The property is zoned Blalock Industrial Park and located in the Blalock Commercial Overlay District. The owner would like to replat the property into two lots for commercial development and dedicate right-of-way for Aston Drive.

The Planning and Zoning Commission recommended approval of the Replat, subject to the Staff Review Letter.
CONSENT AGENDA.

REPLAT APPROVAL OF LOTS 12R-1 AND 12R-2, REPLAT OF LOT 12, BLOCK C OF AMENDED PLAT OF MAGNOLIA VILLAGE, BEING 0.325 ACRES IN THE JAMES H. CLARK SURVEY, ABSTRACT NO. 273 AND BEING A REPLAT OF LOT 12, BLOCK C, AMENDED PLAT OF MAGNOLIA VILLAGE; HOMES BY JLS OF TEXOMA, LLC, OWNER; AND HELVEY-WAGNER SURVEYING, INC., SURVEYOR (502 & 506 SONOMA COURT)

APPROVE REPLAT
AMENDED PLAT
OF MAGNOLIA
VILLAGE
(502 & 506 SONOMA
COURT)

The City Council approved the Replat of Lots 12R-1 and 12R-2, Replat of Lot 12, Block C of Amended Plat of Magnolia Village, a 0.325 acre tract located at 502 and 506 Sonoma Court.

The property is zoned an R-1 (One-Family Residential) District. The owner would like to replat the property into two lots for residential development.

The Planning and Zoning Commission recommended approval of the Replat, subject to the Staff Review Letter.
CONSENT AGENDA.

FINAL PLAT APPROVAL OF COTTAGES AT MAGNOLIA VILLAGE, BEING 6.166 ACRES IN THE JAMES H. CLARK SURVEY, ABSTRACT NO. 273; YOUNG ENTERPRISES, LP,

APPROVE FINAL PLAT
COTTAGES AT
MAGNOLIA VILLAGE

OWNER; AND HELVEY-WAGNER SURVEYING, INC., SURVEYOR
(500 BLOCK EAST NORTHCREEK DRIVE)

(500 BLOCK E.
NORTHCREEK DR)

The City Council approved the Final Plat of the Cottages at Magnolia Village, a 6.166 acre tract located in the 500 block of East Northcreek Drive.

The property is zoned an R-1 (One Family Residential) District. The owner would like to plat the property into 40 lots for residential development, one lot being for detention and another for access area to be owned and maintained by the Homeowner's Association. Exceptions were approved on four lots for width and area at the May 18, 2021 Planning and Zoning Commission Meeting.

The Planning and Zoning Commission recommended approval of the Final Plat, subject to the Staff Review Letter.
CONSENT AGENDA.

REPLAT APPROVAL OF CUNNINGHAM PLACE ADDITION,
BEING 0.402 ACRES IN THE SAMUEL BLAGG SURVEY,
ABSTRACT NO. 56 AND BEING PART OF BLOCK 2 OF G.Y.
GRAY'S SUPPLEMENT ADDITION AND BEING ALL OF LOTS 14,
15 AND THE NORTH 5.333 FEET OF LOT 16, BLOCK 2 EXCEPT
THE NORTH 8 FEET OF LOT 14 AND ALL OF THE SOUTH 27.666
FEET OF LOT 16, BLOCK 2; EARNHARTBUILT, LLC, OWNER;
MORAN DEVELOPMENT, DEVELOPER, AND HELVEY-WAGNER
SURVEYING, INC., SURVEYOR (515 & 519 SOUTH FIRST
STREET)

APPROVE REPLAT
CUNNINGHAM
PLACE ADDITION
(515 & 519 S.
FIRST ST)

The City Council approved the Replat of the Cunningham Place Addition, a 0.402 acre tract located at 515 and 519 South First Street.

The property is zoned a C-2 (General Commercial) District and an R-1 (One Family Residential) District. The owner would like to replat the property into one lot for Multi-Family Residential development.

The Planning and Zoning Commission recommended approval of the Replat, subject to the Staff Review Letter.
CONSENT AGENDA.

FINAL PLAT APPROVAL OF MERAZ-HILL ADDITION, BEING
0.172 ACRES IN THE J.B. McANAI SURVEY, ABSTRACT NO.
763; ROBERTO MERAZ, OWNER; AND HELVEY-WAGNER
SURVEYING, INC., SURVEYOR (213 EAST HILL STREET)

APPROVE FINAL PLAT
MERAZ-HILL ADDITION
(213 E. HILL ST)

The City Council approved the Final Plat of the Meraz-Hill Addition, a 0.172 acre tract located at 213 East Hill Street.

The property is zoned an R-1 (One Family Residential) District. An exception to allow a 50' wide lot was approved at the May 18, 2021 Planning and Zoning Commission Meeting. The owner would like to plat the property into one lot for residential development.

The Planning and Zoning Commission recommended approval of the Final Plat, subject to the Staff Review Letter.
CONSENT AGENDA.

REPLAT APPROVAL OF PART OF LOT 14, M.B. MOORE'S ADDITION AND ADJOINING TRACT OF LAND EAST OF SAID LOT 14, BEING 0.326 ACRES IN THE SAMUEL BLAGG SURVEY, ABSTRACT NO. 56 AND BEING A PART OF LOT 14, M.B. MOORE'S ADDITION; JAIME ANTONIO SANCHEZ, OWNER; AND HELVEY-WAGNER SURVEYING, INC., SURVEYOR (1438 SOUTH WALNUT STREET)

APPROVE REPLAT
M.B. MOORE'S
ADDITION
(1438 S. WALNUT ST)

The City Council approved the Replat of part of Lot 14, M.B. Moore's Addition, and adjoining tract of land east of said Lot 14, a 0.326 acre tract located at 1438 South Walnut Street.

The property is zoned an R-1 (One Family Residential) District. The owner would like to replat the property into two lots for residential development.

The Planning and Zoning Commission recommended approval of the Replat, subject to the Staff Review Letter.
CONSENT AGENDA.

FINAL PLAT APPROVAL OF BEL-AIR VILLAGE, PHASE I, BEING 62.329 ACRES IN THE SHERROD DUNMAN SURVEY ABSTRACT NO. 329; TERRA PERPETUA, LLC, OWNER; KIMLEY-HORN & ASSOCIATES, SURVEYING/CIVIL ENGINEER; AND AMERICAN COMMUNITIES, DEVELOPER (300-1000 BLOCKS EAST FM 1417 (VIETNAM VETERANS PARKWAY)

APPROVE FINAL PLAT
BEL-AIR VILLAGE,
PHASE I
(300-1000 BLOCKS
E. FM 1417)

The City Council approved the Final Plat of Bel-Air Village, Phase I, a 62.329 acre tract located in the 300 to 1000 blocks of East FM 1417.

A portion of the property, 245.83 acres, was approved for a Planned Development for Terra Perpetua Village on August 5, 2019. The owner purchased an additional 32.545 acres, east of the development and amended the planned development to include this acreage for a total of 278.313 acres, and renamed it to Bel Air Village. The current request was for Final Plat approval for Phase I, containing 62.329 acres, 327 residential lots, and seven Home Owner's Association lots, for a mixed-use development.

The Planning and Zoning Commission recommended approval of the Final Plat, subject to the Staff Review Letter.
CONSENT AGENDA.

FINAL PLAT APPROVAL OF POPP'S ADDITION, BEING 0.463 ACRES IN THE ELIZABETH JONES SURVEY ABSTRACT NO. 625; ERIC AND KELLY POPP, OWNER; AND UNDERWOOD DRAFTING AND SURVEYING, SURVEYING (1406 WEST CENTER STREET)

APPROVE FINAL PLAT
POPP'S ADDITION
(1406 W. CENTER ST)

The City Council approved the Final Plat of Popp's Addition, a 0.463 acre tract located at 1406 West Center Street.

COUNCIL MINUTES – JUNE 7, 2021

The property is zoned an R-1 (One Family Residential) District. The owner would like to plat the property into two lots to sell one of the lots.

The Planning and Zoning Commission recommended approval of the Final Plat, subject to the Staff Review Letter.
CONSENT AGENDA.

CONSIDER REQUEST OF SHERMAN CULTURAL DISTRICT TO TEMPORARILY CLOSE CERTAIN STREETS FOR THE “TACO TOUR” ON TUESDAY, JULY 20, 2021 FROM 5 P.M. TO 8 P.M.

The City Council approved the request of the Sherman Cultural District to temporarily close certain streets for the “Taco Tour” on July 20, 2021, from 5 p.m. until 8 p.m., in Downtown Sherman.

The event will be held in the 100 block of East Wall Street, and will require traffic control assistance, cones and barricades, and trash receptacles.
CONSENT AGENDA.

MEDIA QUESTIONS

There were no media questions.

APPOINT/REMOVE OR CONSIDER QUALIFICATIONS TO BOARDS AND COMMISSIONS

MAIN STREET ADVISORY COMMITTEE (3)

Council Member Melton asked if David Downtain would be eligible to serve on both the Planning and Zoning Commission and on the Main Street Advisory Committee.

Mr. Pittman said he would need to look at the by-laws, but there was not a State law that would prohibit it. Mr. Hefton said Main Street doesn’t bring anything to the Planning and Zoning Commission, so he did not think there would be a conflict. He added that, even with these appointments, there would still be one vacancy on the Main Street Board.

Council Member Melton asked if the appointment should wait until they were assured there was not a problem with serving on both boards. Council Members discussed any potential problems and decided to consider the appointment.

ACTION TAKEN.

Motion by Council Member Teamann to reappoint David Gunn to the Main Street Advisory Committee for a term from March 31, 2021 to March 31, 2023, and to appoint David Downtain for a term from June 8, 2021 to June 8, 2023, as presented. Second by Council Member Steele.

VOTING AYE: Holland, Howeth, Melton, Steele, Stevenson, Teamann.

VOTING NAY: None.

MOTION CARRIED.

CLOSE STREETS
FOR TACO TOUR
(JULY 20, 2021)

MEDIA QUESTIONS

MAIN STREET
ADVISORY COMMITTEE

COUNCIL COMMENTS

REAL ESTATE CONTRACTS

Council Member Teamann said he would like to be sure in the future, that the City drafts their own sales agreement with property buyers, so the City is in control of all the language.

Mr. Pittman said that was also his recommendation. The contract in question was submitted by the buyer, and the Council does not have to agree to it.

HOT SUMMER NIGHTS

Council Member Howeth said she enjoyed the first Hot Summer Nights. She felt like it was “getting back to normal.”

SERVICE ON CITY BOARDS AND COMMISSIONS

Council Member Melton encouraged any citizen that would like to serve on a board or commission to submit an application.

ANNOUNCEMENTS

Mayor Plyler announced the following:

- There was a great kickoff to Hot Summer Nights last week. Thanks to the City staff who helped make that possible. This Thursday will be Texas Floyd, a Pink Floyd cover band and next week Hoobastank will be at the event.
- Parks and Recreation will sponsor a father-son cookout at Herman Baker Park on June 18, 2021.
- “Craft the Night Away” will be held on June 19, 2021, in Downtown Sherman. This year’s event will feature a fiddling contest.

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

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

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

REAL ESTATE
CONTRACTS

HOT SUMMER NIGHTS

SERVICE ON CITY
BOARDS &
COMMISSIONS

ANNOUNCEMENTS

EXECUTIVE SESSION

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) SHERMAN HOUSING AUTHORITY BOARD (3)

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 6:00 p.m.

On Motion duly made and carried, the Executive Session recessed at 6:09 p.m. and reconvened in Open Meeting.

OPEN MEETING

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

OPEN MEETING

APPOINT/REMOVE OR CONSIDER QUALIFICATIONS TO BOARDS AND COMMISSIONS

SHERMAN HOUSING AUTHORITY BOARD (3)

Motion by Council Member Melton to reappoint Beth Williams to the Sherman Housing Authority Board for a term from June 1, 2021 to June 1, 2023, and to appoint Kent Sharp for a term from June 8, 2021 to June 1, 2023, and Deborah Shaw

SHERMAN HOUSING
AUTHORITY BOARD

COUNCIL MINUTES – JUNE 7, 2021

Beavers to fill an unexpired term as Resident Commissioner from June 8, 2021 to June 1, 2022, as presented. Second by Council Member Steele.

VOTING AYE: Holland, Howeth, Melton, Steele, Stevenson, Teamann.

VOTING NAY: None.

MOTION CARRIED.

ADJOURNMENT

On Motion duly made and carried, the meeting adjourned at 6:11 p.m.

ADJOURNMENT

MAYOR

CITY CLERK



City Council Regular Meeting

C. 1.

Meeting Date: 06/21/2021

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:

- E. 3.** *** RESOLUTION NO. 6748**
Authorizing Execution of a Professional Services Agreement with Garver, LLC for Wastewater Vulnerability Assessments
- E. 4.** *** 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
-



SHERMAN CITY COUNCIL

Agenda Communication Form

City Council Regular Meeting

D. 1.

Meeting Date: 06/21/2021

Prepared By: Mary Lawrence, Director of Finance

Approved By: Robby Hefton, City Manager

Caption:

INTRODUCTION AND PUBLIC HEARING OF ORDINANCE NO. 6393

Relating to Greater Texoma Utility Authority Contract Revenue Refunding Bonds, Series 2021 (City of Sherman Project); Approving the Issuance Thereof and the Refunding of Certain Outstanding Bonds of the Authority

Issue:

Consider all matters incident and related to the issuance and sale of "Greater Texoma Utility Authority Contract Revenue Refunding Bonds, Series 2021 (City of Sherman Project)", including the adoption of an ordinance approving the issuance thereof and the refunding of certain outstanding bonds of the Authority.

Background:

Drew Satterwhite, General Manager of the Greater Texoma Utility Authority (GTUA) notified the City of a refinancing opportunity on \$7.4 million of outstanding debt issued in 2011, 2012 and 2013. The True Interest Cost of the refinancing is 1.33%, the savings of which from refunding these bonds will be about \$880,000.00 over the next twelve (12) years. Funds are expected to be received by GTUA on July 8, 2021.

GTUA General Manager Drew Satterwhite, P.E. and Garry Kimball of Specialized Public Finance will be in attendance to answer any questions or provide any additional information needed.

Origination:

Mary Lawrence, Director of Finance

Drew Satterwhite, P.E., General Manager, Greater Texoma Utility Authority

Financial Consideration:

The cost of issuance of about \$127,000.00 is included in the bonds.

Staff Recommendation:

The staff recommends that the Council approve this Ordinance as presented.

Alternatives:

The City Council could choose to not authorize GTUA's issuance of the Bonds and forego the debt service savings in the amount of \$880,000.00.

Attachments

Ordinance No. 6393

GTUA Bond Resolution

Pricing Certificate

Summary

ORDINANCE NO. 6393

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; FINDING AND DETERMINING THAT THE MEETING AT WHICH THIS ORDINANCE IS PASSED WAS NOTICED AND IS OPEN TO THE PUBLIC AS REQUIRED BY LAW.

WHEREAS, the Greater Texoma Utility Authority (the "Authority") and the City of Sherman, Texas (the "City"), have previously executed and delivered a Contract for Water Supply and Sewer Service, dated as of March 1, 1985 (the "Contract"), whereby the Authority is to provide water and sewer facilities to the City; and

WHEREAS, under Section 4.15 of the Contract, it is provided that the City shall approve (i) the issuance by the Authority of any bonds that are to be payable (in whole or in part) from certain moneys that the City has contracted to pay under the provisions of the Contract; and

WHEREAS, in connection with the "Greater Texoma Utility Authority Contract Revenue Refunding Bonds, Series 2021 (City of Sherman Project)" (the "Bonds"), Huntington Securities, Inc. (the "Underwriter") has agreed, pursuant to a Bond Purchase Agreement between the Underwriter and the Authority, dated as of June 10, 2021 (the "Purchase Agreement") to purchase the Bonds; and

WHEREAS, the City acknowledges that no Notice of Sale relating to the Bonds has been prepared, and the City hereby waives any requirement that a Notice of Sale relating to the Bonds be prepared, because the City has found and determined and hereby finds and determines that it is neither necessary nor advisable for the Authority to prepare a Notice of Sale relating to the Bonds because, insofar as the City is concerned, the Purchase Agreement evidences a "negotiated sale" of the Bonds with the Underwriter and contains sufficient information to accomplish the purposes of a Notice of Sale; and

WHEREAS, the net effective interest rate on the Bonds does not exceed the maximum permitted by law and it is now appropriate for this Council to approve the Purchase Agreement (in lieu of approving a Notice of Sale with respect to the Bonds) as well as the issuance and delivery of the Bonds, the Resolution of the Authority authorizing the Bonds (the "Bond Resolution"), together with the Pricing Certificate, dated June 10, 2021, executed pursuant to the Bond Resolution (the "Pricing Certificate"), and the refunding of a portion of the following bonds (collectively hereinafter referred to as the "Refunded Bonds"), to wit:

- (a) Greater Texoma Utility Authority Contract Revenue Bonds, Series 2011 (City of Sherman Project)", dated December 1, 2010, scheduled to mature on October 1 in each of years 2022, 2025, 2028, and 2031,

aggregating in the principal amount of \$1,255,000 (the “Series 2011 Bonds”), called for redemption on July 27, 2021;

(b) “Greater Texoma Utility Authority Contract Revenue Bonds, Series 2012 (City of Sherman Project)”, dated December 15, 2011, scheduled to mature on October 1 in each of years 2022 through 2032, inclusive, aggregating in the principal amount of \$3,620,000 (the “Series 2012 Bonds”), called for redemption on October 1, 2021; and

(c) “Greater Texoma Utility Authority Contract Revenue Bonds, Series 2013 (City of Sherman Project)”, dated December 15, 2012, scheduled to mature on October 1 in each of years 2022 through 2023, inclusive, 2025, 2027, 2029, 2031, and 2033, aggregating in the principal amount of \$2,500,000 (the “Series 2013 Bonds” and, together with the Series 2011 Bonds and the Series 2012 Bonds, the “Refunded Bonds”), called for redemption on October 1, 2021;

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

SECTION 1: The use of the proceeds of the Bonds for the refunding of the Refunded Bonds is hereby approved. The Bond Resolution and the Pricing Certificate are approved as to form and content, and the City acknowledges that the payment of principal of and interest on the Bonds is payable, in whole or in part, from payments to be made by the City under and pursuant to the Contract. The City acknowledges and accepts its duties under the Purchase Agreement, the form and content of which is attached hereto as Exhibit A to the Pricing Certificate. The City Manager is authorized to execute the certification referred to in Section 11 of the Purchase Agreement as well as any other documents or certifications necessary to accomplish the delivery of the Bonds.

SECTION 2: To the extent required by the Underwriter or the Office of the Attorney General of Texas, the Authority is authorized by this City Council to make changes and revisions to the Bond Resolution and/or the Pricing Certificate from the forms approved by this Resolution in order to expedite the delivery of the Bonds. It is the intent of the City to authorize the Authority to proceed with the refunding of the Refunded Bonds at the earliest possible date.

SECTION 3: In order to assist the Authority in complying with Rule 15c2-12 of the Securities Exchange Act of 1934, as amended (the “Rule”), the City covenants and agrees as follows:

(a) Annual Information. The City will provide to the Authority, no later than March 1 of each year (or such other date as may be agreed to by the City and the Authority, but no later than six months after its fiscal year end), while the City is an “obligated person” under the Rule, the information with respect to the City described in Tables 1 through 11 appearing in the Official Statement and Appendix C to the Official Statement relating to the Bonds. Any financial statements provided pursuant to this Section shall be (i) prepared in accordance with the accounting principles described in Appendix C to the Official Statement, (ii) audited, if the

City commissions an audit of such statements and the audit is completed within the period during which they must be provided. If the audit of such financial statements is not completed within such period, then the City shall provide notice to the Authority that the audited financial statements are not available and shall provide unaudited financial statements for the applicable fiscal year to the Authority by the required time. Thereafter, when and if audited financial statements are available, the City shall provide such audited financial statements as required to the Authority.

If the City's fiscal year end differs from the Authority's fiscal year end, the City shall provide the most recent year end annual information as well as cumulative current year to date information. The City shall notify the Authority if the City changes its fiscal year.

The financial information and operating data to be provided pursuant to this Section may be set forth in full in one or more documents or may be included by specific reference to any document available to the public on the MSRB's Internet Web site or filed with the SEC.

The City will notify the Authority as soon as possible if the information required by this Section cannot be provided in the above-specified time frame.

(b) Notice of Certain Events. To the extent applicable to the City as an "obligated person" under the Rule and in connection with the Bonds, the City agrees to notify the MSRB in a timely manner and not more than 10 business days after occurrence of the event:

- (1) Principal and interest payment delinquencies;
- (2) Non-payment related defaults, if material;
- (3) Unscheduled draws on debt service reserves reflecting financial difficulties;
- (4) Unscheduled draws on credit enhancements reflecting financial difficulties;
- (5) Substitution of credit or liquidity providers, or their failure to perform;
- (6) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB), or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;
- (7) Modifications to rights of holders of the Bonds, if material;
- (8) Bond calls, if material, and tender offers;
- (9) Defeasances;

- (10) Release, substitution, or sale of property securing repayment of the Bonds, if material;
- (11) Rating changes;
- (12) Bankruptcy, insolvency, receivership, or similar event of the City, which shall occur as described below;
- (13) The consummation of a merger, consolidation, or acquisition involving the City or the sale of all or substantially all of its assets, other than in the ordinary course of business, the entry into of a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
- (14) Appointment of a successor or additional trustee or the change of name of a trustee, if material;
- (15) Incurrence of a Financial Obligation of the City, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the City, any of which affect security holders, if material; and
- (16) Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the City, any of which reflect financial difficulties.

(c) Accuracy and Completeness. The City warrants that all information provided by it to the Authority pursuant to this Section will be accurate in all material respects to the best of its knowledge and belief. The City will provide the Authority with such information as the Authority may reasonably request to confirm the accuracy and completeness of any information provided by the City pursuant to this Section. If the Authority thereafter has reasonable grounds to question the completeness or accuracy of such information, the City will afford the Authority and its attorneys and agents, at the expense of the Authority, reasonable access to any and all records, documents, contracts, and other information which is in the custody or control of the City to confirm such accuracy and completeness. The Authority and its attorneys and agents shall maintain the confidentiality of all such information; unless required to be provided by the Authority to the MSRB, and except as otherwise provided by law. The City shall not be required to provide information or to allow access to its records which exceeds the standards applicable to a due diligence inquiry in the preparation of an official statement in connection with the sale of Bonds or any Additional Bonds by the Authority.

(d) Limitations, Disclaimers and Amendments.

- (1) The City shall be obligated to observe and perform the covenants specified in this Section for so long as, but only for so long as, the Authority and the City each remain an Obligated Person, provided that the Authority and the City in any event will give notice of any payment

or deposit of funds by either of such parties that causes the Bonds to be retired and defeased.

- (2) The provisions of this Section are for the sole benefit of the Holders and beneficial owners of the Bonds, and nothing in this Section, express or implied, shall give any benefit or any legal or equitable right, remedy, or claim hereunder to any other person. The Authority and the City undertake to provide only the financial information, operating data, financial statements and notices which it has expressly agreed to provide pursuant to this Section and do not hereby undertake to provide any other information that may be relevant or material to a complete presentation of the Authority's or the City's financial results, condition, or prospects or hereby undertake to update any information provided in accordance with this Section or otherwise, except as expressly provided herein. Neither the Authority nor the City make any representation or warranty concerning such information or its usefulness to a decision to invest in or sell Bonds at any future date.
- (3) UNDER NO CIRCUMSTANCES SHALL THE CITY BE LIABLE TO THE HOLDER OR BENEFICIAL OWNER OF ANY BOND OR ANY OTHER PERSON, IN CONTRACT, OR TORT, FOR DAMAGES RESULTING IN WHOLE OR IN PART FROM ANY BREACH BY THE CITY, WHETHER NEGLIGENT OR WITHOUT FAULT ON ITS PART, OF ANY COVENANT SPECIFIED IN THIS SECTION, BUT EVERY RIGHT AND REMEDY OF ANY SUCH PERSON, IN CONTRACT OR TORT, FOR OR ON ACCOUNT OF ANY SUCH BREACH SHALL BE LIMITED TO AN ACTION FOR MANDAMUS OR SPECIFIC PERFORMANCE.
- (4) The provisions of this Section may be amended by the City (with the written approval of the Authority) from time to time to adapt to changed circumstances that arise from a change in legal requirements, a change in law, or a change in the identity, nature, status, or type of operations of the City, only if (1) the provisions of this Section, as so amended, would have permitted an underwriter to purchase or sell Bonds in the primary offering of the Bonds in compliance with the Rule, taking into account any amendments or interpretations of the Rule to the date of such amendment, as well as such changed circumstances, and (2) either (a) the Holders of a majority in aggregate principal amount (or any grater amount required by provisions of the Bond Resolution that authorizes such an amendment) of the outstanding Bonds consent to such amendment or (b) a person that is unaffiliated with the City (such as nationally recognized bond counsel) determines that such amendment will not materially impair the interests of the Holders and beneficial owners of the Bonds. If the provisions of this Section are so amended, the Authority shall include with any amended financial information or operating data next provided in accordance with the Bond Resolution an explanation, in narrative form, of the reasons for

the amendment and of the impact of any change in the type of financial information or operating data so provided.

(e) Remedies. In the event the City fails or refuses to provide the information required by paragraphs (a) and (b) hereof, the Authority may enforce its right hereunder by an action for mandamus or specific performance; provided, however, before enforcing such remedies, the Authority shall give the City notice as provided herein and a reasonable opportunity to provide the requested information.

SECTION 4: Reporting of Significant Events. (1) Upon the occurrence of any of the events described below, the City will promptly notify the Authority and provide information requested by the Authority pertaining to (i) an action, suit or other formal proceeding at law or in equity, against the City that would materially and adversely affect the City's financial condition or its ability to make payments under the Contract and (ii) any change in the City's financial condition or financing arrangements that would materially and adversely affect the City's financial condition or its ability to make payments under the Contract.

SECTION 5: The findings and determinations of the City Council contained in the preamble hereof are hereby incorporated by reference and made a part of this Ordinance for all purposes as if the same were restated in full in this Section.

SECTION 6: The Contract is reapproved in all respects and shall be and remain in full force as the agreement of the parties.

SECTION 7: It is hereby officially found and determined that the meeting at which this Ordinance is passed is open to the public as required by law and that public notice of the time, place, and purpose of said meeting was given as required.

SECTION 8: This Ordinance shall be effective from and after its adoption, and it is so resolved.

[remainder of page left blank intentionally]

DULY PASSED AND APPROVED BY THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS.

INTRODUCED on this the _____ day of _____, 2021.

ADOPTED on this the _____ day of _____, 2021.

EFFECTIVE DATE 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: _____
RYAN D. PITTMAN, CITY ATTORNEY

A RESOLUTION by the Board of Directors of the Greater Texoma Utility Authority authorizing the issuance of "Greater Texoma Utility Authority Contract Revenue Refunding Bonds, Series 2021 (City of Sherman Project)"; pledging the Pledged Revenue to the payment of the principal of and interest on said Bonds; delegating matters relating to the issuance, sale, and delivery of said Bonds to authorized Authority officials; and resolving other matters incident and related thereto

WHEREAS, the Board of Directors of the Greater Texoma Utility Authority (the "Authority") has heretofore issued, sold, and delivered, obligations of the following issues or series (hereinafter collectively referred to as the "Refunded Bonds)", to wit:

(1) Greater Texoma Utility Authority Contract Revenue Bonds, Series 2011 (City of Sherman Project), dated December 1, 2010;

(2) Greater Texoma Utility Authority Contract Revenue Bonds, Series 2012 (City of Sherman Project), dated December 15, 2011; and

(3) Greater Texoma Utility Authority Contract Revenue Bonds, Series 2013 (City of Sherman Project), dated December 15, 2012; and

WHEREAS, pursuant to the provisions of Texas Government Code, Chapter 1207, as amended, the Board of Directors of the Authority (the "Board") is authorized to issue refunding bonds and deposit the proceeds of sale thereof directly with the place of payment for the Refunded Bonds, or other authorized depository, and such deposit, when made in accordance with said statute, shall constitute the making of firm banking and financial arrangements for the discharge and final payment of the Refunded Bonds; and

WHEREAS, the Authority shall by this Resolution, in accordance with the provisions of Texas Government Code, Chapters 1207, as amended, delegate to a Pricing Officer (hereafter designated) the authority to determine the principal amount of Bonds to be issued, to select the specific maturities or series (in whole or in part) of the Refunded Bonds to be refunded and to negotiate the terms of sale thereof; and

WHEREAS, the Board finds and determines that it is a public purpose and in the best interests of the Authority to issue bonds to refund the Refunded Bonds in order to achieve a present value savings with such savings, among other information and terms, to be included in a pricing certificate (the "Pricing Certificate") to be executed by the Pricing Officer (hereafter designated), all in accordance with the provisions of Texas Government Code, Section 1207.007, as amended; and

WHEREAS, the Board has determined that the Bonds herein authorized may and shall be issued as Additional Bonds (herein defined) on a parity with the Outstanding Previously Issued Bonds (herein defined) in that:

(a) The Authority is not now in default as to any covenant, condition or obligation contained in the Contract (as hereinafter defined) and the resolutions authorizing the issuance of Outstanding Previously Issued Bonds;

(b) The City of Sherman, Texas, will approve the resolution authorizing the issuance of the Bonds as to form and content and will acknowledge that

payment of principal and interest on the Bonds will be made, in whole or in part, by the City of Sherman, Texas, under and pursuant to the Contract;

(c) The Bonds herein authorized shall mature on April 1 and/or October 1 in each of the years in which they are scheduled to mature as provided in the Pricing Certificate;

(d) As provided herein, deposits to the Bond Fund will be sufficient to pay principal of and interest on the Bonds herein authorized as the same become due;

(e) As provided herein, the amount to be accumulated and maintained in the Reserve Fund will be in an amount equal to not less than the average annual requirement (calculated on a Fiscal Year basis) of all Outstanding Bonds Similarly Secured as of the date of the last series of Bonds Similarly Secured after giving effect to the issuance of the Bonds for the payment of principal of and interest on all obligations to be secured by a first lien on and pledge of the Pledged Revenues, and any additional amount to be maintained in the Reserve Fund shall be accumulated within not more than 60 months from the date of the passage of this Resolution; and;

(f) The Authority will demonstrate to the Executive Administrator of the Texas Water Development Board that the Pledged Revenues will be sufficient to pay the Previously Issued Bonds and the Bonds;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE GREATER TEXOMA UTILITY AUTHORITY:

SECTION 1: Authorization - Designation - Principal Amount – Purpose – Bond Date. Revenue bonds of the Authority shall be and are hereby authorized to be issued in the maximum aggregate principal amount hereinafter set forth to be designated and bear the title “GREATER TEXOMA UTILITY AUTHORITY CONTRACT REVENUE REFUNDING BONDS, SERIES 2021 (CITY OF SHERMAN PROJECT)” (herein referred to as the “Bonds”), for the purpose of providing funds for the discharge and final payment of the Refunded Bonds, the payment of all costs incident and related to the financing thereof, pursuant to authority conferred by and in conformity with the Constitution and the laws of the State of Texas, including Texas Special District Local Laws Code, Chapter 8283, and Texas Government Code, Chapter 1207, as amended. The Bonds shall be dated (the “Bond Date”) as provided in the Pricing Certificate.

SECTION 2: Fully Registered Obligations - Terms. The Bonds shall be issued as fully registered obligations, without coupons, and the Bonds (other than the Initial Bond(s) referenced in Section 8 hereof) shall be in denominations of \$5,000 or any integral multiple (within a Stated Maturity) thereof, shall be lettered “R” and numbered consecutively from One (1) upward and principal shall become due and payable on a date certain in each of the years and in amounts (the “Stated Maturities”) and bear interest at the rate(s) per annum in accordance with the details of the Bonds as set forth in the Pricing Certificate.

The Bonds shall bear interest on the unpaid principal amounts from the date specified in the Pricing Certificate at the rate(s) per annum shown in Pricing Certificate (calculated on the basis of a 360-day year consisting of twelve 30-day months). Interest on the Bonds shall be

payable in each year, on the dates, and commencing on the date, set forth in the Pricing Certificate.

SECTION 3: Delegation of Authority to Pricing Officer.

(a) As authorized by Texas Government Code, Chapter 1207, as amended, each of the General Manager or President of the Board (either the "Pricing Officer") is hereby authorized to act on behalf of the Authority in selling and delivering the Bonds and carrying out the other procedures specified in this Resolution, including, selecting the specific maturities (in whole or part) of the Refunded Bonds to be refunded, determining the aggregate original principal amount of the Bonds, the date of the Bonds, any additional or different designation or title by which the Bonds shall be known, the price at which the Bonds will be sold, the manner of sale (negotiated, privately placed or competitively bid), the years in which the Bonds will mature, the principal amount to mature in each of such years, the rate of interest to be borne by each such maturity, the interest payment dates, the price and terms upon and at which the Bonds shall be subject to redemption prior to maturity at the option of the Authority, as well as any mandatory sinking fund redemption provisions, the designation and selection of a Paying Agent/Registrar and an Escrow Agent, if necessary, satisfying the requirements of Texas Government Code, Chapter 1207, as amended, and all other matters relating to the issuance, sale, and delivery of the Bonds, including any modification of the Rule 15c2-12 continuing disclosure undertaking contained in Section 41 hereof, all of which shall be specified in the Pricing Certificate; provided that:

- (i) the aggregate original principal amount of the Bonds shall not exceed \$8,000,000;
- (ii) the refunding must produce net present value savings of at least 3.0%, net of any Authority contribution; and
- (iii) the maximum maturity date of the Bonds shall be October 1, 2033.

The execution of the Pricing Certificate shall evidence the sale date of the Bonds by the Authority to the Purchasers (hereinafter defined).

(b) The delegation made hereby shall expire if not exercised by the Pricing Officer on or prior to 180 days from the date hereof.

SECTION 4: Terms of Payment - Paying Agent/Registrar. The principal of, premium, if any, and the interest on the Bonds, due and payable by reason of maturity, redemption or otherwise, shall be payable only to the registered owners or holders of the Bonds (hereinafter called the "Holders") appearing on the registration and transfer books (the "Security Register") maintained by the Paying Agent/Registrar, and the payment thereof shall be in any coin or currency of the United States of America, which at the time of payment is legal tender for the payment of public and private debts, and shall be without exchange or collection charges to the Holders.

The selection and appointment of the Paying Agent/Registrar for the Bonds shall be as provided in the Pricing Certificate. Books and records relating to the registration, payment, exchange and transfer of the Bonds (the "Security Register") shall at all times be kept and maintained on behalf of the Authority by the Paying Agent/Registrar, all as provided herein, in accordance with the terms and provisions of a "Paying Agent/Registrar Agreement," substantially in the form attached hereto as Exhibit A and such reasonable rules and regulations as the Paying

Agent/Registrar and the Authority may prescribe. The Pricing Officer is hereby authorized to execute and deliver such Paying Agent/Registrar Agreement in connection with the delivery of the Bonds. The Authority covenants to maintain and provide a Paying Agent/Registrar at all times until the Bonds are paid and discharged, and any successor Paying Agent/Registrar shall be a commercial bank, trust company, financial institution, or other entity qualified and authorized to serve in such capacity and perform the duties and services of Paying Agent/Registrar. Upon any change in the Paying Agent/Registrar for the Bonds, the Authority agrees to promptly cause a written notice thereof to be sent to each Holder by United States Mail, first class postage prepaid, which notice shall also give the address of the new Paying Agent/Registrar.

Principal of and premium, if any, on the Bonds shall be payable at the Stated Maturities or the redemption thereof, only upon presentation and surrender of the Bonds to the Paying Agent/Registrar at its designated office specified in the Pricing Certificate or such other office as shall be designated from time to time by the Paying Agent/Registrar, or its successors (the "Designated Payment/Transfer Office"). Interest on each Bond shall be paid to the Holder whose name appears in the Security Register at the close of business on the Record Date (the fifteenth (15th) day of the month next preceding each interest payment date) and shall be paid by the Paying Agent/Registrar (i) by check sent United States mail, first class postage prepaid, to the address of the Holder recorded in the Security Register, or (ii) by such other method, acceptable to the Paying Agent/Registrar, requested by, and at the risk and expense of, the Holder. If the date for the payment of the principal of or interest on the Bonds shall be a Saturday, Sunday, a legal holiday, or a day on which banking institutions in the city where the Paying Agent/Registrar is located are authorized by law or executive order to close, then the date for such payment shall be the next succeeding day which is not such a Saturday, Sunday, legal holiday, or day on which banking institutions are authorized to close; and payment on such date shall have the same force and effect as if made on the original date payment was due.

In the event of a nonpayment of interest on a scheduled payment date, and for thirty (30) days thereafter, a new record date for such interest payment (a "Special Record Date") will be established by the Paying Agent/Registrar, if and when funds for the payment of such interest have been received from the Authority. Notice of the Special Record Date and of the scheduled payment date of the past due interest (which shall be fifteen (15) days after the Special Record Date) shall be sent at least five (5) business days prior to the Special Record Date by United States mail, first class postage prepaid, to the address of each Holder appearing on the Security Register at the close of business on the last business day next preceding the date of mailing of such notice.

SECTION 5: Registration - Transfer - Exchange of Bonds - Predecessor Bonds. A Security Register relating to the registration, payment, and transfer or exchange of the Bonds shall at all times be kept and maintained by the Authority at the Designated Payment/Transfer Office of the Paying Agent/Registrar, and also at a location within the State of Texas, as provided herein and in accordance with rules and regulations as the Paying Agent/Registrar and the Authority may prescribe. The Paying Agent/Registrar shall obtain, record, and maintain in the Security Register the name and address of each and every owner of the Bonds issued under and pursuant to the provisions of this Resolution, or if appropriate, the nominee thereof. Any Bond may be transferred or exchanged for Bonds of other authorized denominations by the Holder, in person or by his duly authorized agent, upon surrender of such Bond to the Paying Agent/Registrar for cancellation, accompanied by a written instrument of transfer or request for exchange duly executed by the Holder or by his duly authorized agent, in form satisfactory to the Paying Agent/Registrar.

Upon surrender of any Bond (other than the Initial Bond(s) authorized in Section 8 hereof) for transfer at the Designated Payment/Transfer Office of the Paying Agent/Registrar, the Paying Agent/Registrar shall register and deliver, in the name of the designated transferee or transferees, one or more new Bonds of authorized denominations and having the same Stated Maturity and being of a like aggregate principal amount as the Bond or Bonds surrendered for transfer.

At the option of the Holder, Bonds (other than the Initial Bond(s) authorized in Section 8 hereof) may be exchanged for other Bonds of authorized denominations and having the same Stated Maturity, bearing the same rate of interest and being of a like aggregate principal amount as the Bonds surrendered for exchange, upon surrender of the Bonds to be exchanged at the Designated Payment/Transfer Office of the Paying Agent/Registrar. Whenever any Bonds are surrendered for exchange, the Paying Agent/Registrar shall register and deliver new Bonds to the Holder requesting the exchange.

All Bonds issued in any transfer or exchange of Bonds shall be delivered to the Holders at the Designated Payment/Transfer Office of the Paying Agent/Registrar or sent by United States mail, first class postage prepaid, to the Holders, and, upon the registration and delivery thereof, the same shall be the valid obligations of the Authority, evidencing the same obligation to pay, and entitled to the same benefits under this Resolution, as the Bonds surrendered in such transfer or exchange.

All transfers or exchanges of Bonds pursuant to this Section shall be made without expense or service charge to the Holder, except as otherwise herein provided, and except that the Paying Agent/Registrar shall require payment by the Holder requesting such transfer or exchange of any tax or other governmental charges required to be paid with respect to such transfer or exchange.

Bonds canceled by reason of an exchange or transfer pursuant to the provisions hereof are hereby defined to be "Predecessor Bonds," evidencing all or a portion, as the case may be, of the same obligation to pay evidenced by the new Bond or Bonds registered and delivered in the exchange or transfer therefor. Additionally, the term "Predecessor Bonds" shall include any mutilated, lost, destroyed, or stolen Bond for which a replacement Bond has been issued, registered and delivered in lieu thereof pursuant to the provisions of Section 30 hereof and such new replacement Bond shall be deemed to evidence the same obligation as the mutilated, lost, destroyed, or stolen Bond.

Neither the Authority nor the Paying Agent/Registrar shall be required to issue or transfer to an assignee of a Holder any Bond called for redemption, in whole or in part, within forty-five (45) days of the date fixed for the redemption of such Bond; provided, however, such limitation on transferability shall not be applicable to an exchange by the Holder of the unredeemed balance of a Bond called for redemption in part.

SECTION 6: Book-Entry-Only Transfers and Transactions. Notwithstanding the provisions contained in this Resolution relating to the payment and transfer/exchange of the Bonds, the Authority hereby approves and authorizes the use of the "Book-Entry Only" securities clearance, settlement, and transfer system provided by The Depository Trust Company ("DTC"), a limited purpose trust company organized under the laws of the State of New York, in accordance with the operational arrangements referenced in a Blanket Issuer Letter of Representations by and between the Authority and DTC (the "Depository Agreement").

Pursuant to the Depository Agreement and the rules of DTC, the Bonds shall be deposited with DTC who shall hold said Bonds for its participants (the "DTC Participants"). While the Bonds are held by DTC under the Depository Agreement, the Holder of the Bonds on the Security Register for all purposes, including payment and notices, shall be Cede & Co., as nominee of DTC, notwithstanding the ownership of each actual purchaser or owner of each Bond (the "Beneficial Owners") being recorded in the records of DTC and DTC Participants.

In the event DTC determines to discontinue serving as securities depository for the Bonds or otherwise ceases to provide book-entry clearance and settlement of securities transactions in general, the Authority covenants and agrees with the Holders of the Bonds to cause Bonds to be printed in definitive form and provide for the Bond certificates to be issued and delivered to DTC Participants and Beneficial Owners, as the case may be. Thereafter, the Bonds in definitive form shall be assigned, transferred and exchanged on the Security Register maintained by the Paying Agent/Registrar and payment of such Bonds shall be made in accordance with the provisions of Sections 4 and 5 hereof.

SECTION 7: Execution - Registration. The Bonds shall be executed on behalf of the Authority by the President or Vice President of the Board under its seal reproduced or impressed thereon and attested by the Secretary or Assistant Secretary of the Board. The signature of said officers on the Bonds may be manual or facsimile. Bonds bearing the manual or facsimile signatures of individuals who are or were the proper officers of the Authority on the date of the adoption of this Resolution shall be deemed to be duly executed on behalf of the Authority, notwithstanding that such individuals or either of them shall cease to hold such offices at the time of delivery of the Bonds to the initial Holders and with respect to Bonds delivered in subsequent exchanges and transfers, all as authorized and provided in the Public Security Procedures Act, Texas Chapter 1201, Government Code, as amended.

No Bond shall be entitled to any right or benefit under this Resolution, or be valid or obligatory for any purpose, unless there appears on such Bond either a certificate of registration substantially in the form provided in Section 9(c), manually executed by the Comptroller of Public Accounts of the State of Texas or his or her duly authorized agent, or a certificate of registration substantially in the form provided in Section 9(d), manually executed by an authorized officer, employee or representative of the Paying Agent/Registrar, and either such certificate upon any Bond duly signed shall be conclusive evidence, and the only evidence, that such Bond has been duly certified, registered and delivered.

SECTION 8: Initial Bond(s). The Bonds herein authorized shall be initially issued either (i) as a single fully registered bond in the aggregate principal amount of the Bonds with principal installments to become due and payable as provided in the Pricing Certificate and numbered T-1, or (ii) as multiple fully registered bonds, being one bond for each year of maturity in the applicable principal amount and denomination and to be numbered consecutively from T-1 and upward (hereinafter called the "Initial Bond(s)") and, in either case, the Initial Bond(s) shall be registered in the name of the initial purchaser(s) or the designee thereof. The Initial Bond(s) shall be the Bonds submitted to the Office of the Attorney General of the State of Texas for approval, certified and registered by the Office of the Comptroller of Public Accounts of the State of Texas, and delivered to the initial purchaser(s). Any time after the delivery of the Initial Bond(s), the Paying Agent/Registrar, pursuant to written instructions from the initial purchaser(s), or the designee thereof, shall cancel the Initial Bond(s) delivered hereunder and exchange therefor definitive Bonds of authorized denominations, Stated Maturities, principal amounts and bearing applicable interest rates for transfer and delivery to the Holders named at the addresses identified therefor; all pursuant to and in accordance with such written instructions from the initial

purchaser(s), or the designee thereof, and such other information and documentation as the Paying Agent/Registrar may reasonably require.

SECTION 9: Forms.

(a) Forms Generally. The Bonds, the Registration Certificate of the Comptroller of Public Accounts of the State of Texas to appear on the Initial Bond(s), the Registration Certificate of Paying Agent/Registrar to appear on the definitive Bonds, and the form of Assignment to appear on each of the Bonds shall be substantially in the forms set forth in this Section with such appropriate insertions, omissions, substitutions, and other variations as are permitted or required by this Resolution, and the Bonds may have such letters, numbers, or other marks of identification (including identifying numbers and letters of the Committee on Uniform Securities Identification Procedures of the American Bankers Association) and such legends and endorsements (including insurance legends in the event the Bonds are purchased with insurance and any reproduction of an opinion of counsel) thereon as may, consistently herewith, be established by the Authority or determined by the officers executing such Bonds as evidenced by their execution. Any portion of the text of any Bond may be set forth on the reverse thereof, with an appropriate reference thereto on the face of the Bond.

The definitive Bonds and the Initial Bond(s) shall be printed, lithographed, engraved, typewritten, photocopied or otherwise reproduced in any other similar manner, all as determined by the officers executing such Bonds as evidenced by their execution thereof.

(b) Form of Definitive Bond.

REGISTERED
NO. _____

REGISTERED
\$ _____

UNITED STATES OF AMERICA
STATE OF TEXAS
COUNTIES OF GRAYSON, COLLIN, FANNIN AND COOKE
GREATER TEXOMA UTILITY AUTHORITY
CONTRACT REVENUE REFUNDING BOND, SERIES 2021
(CITY OF SHERMAN PROJECT)

Bond Date:	Interest Rate:	Stated Maturity:	CUSIP NO.
_____	_____ %	_____ 1, 20__	_____

Registered Owner:

Principal Amount: _____ DOLLARS

The Greater Texoma Utility Authority (hereinafter referred to as the "Authority"), for value received, hereby promises to pay to the Registered Owner named above (the "Holder") or the registered assigns thereof, solely from the revenues hereinafter identified, on the Stated Maturity date specified above, the Principal Amount hereinabove stated and to pay interest on the unpaid principal amount hereof from the interest payment date next preceding the "Registration Date" of this Bond appearing below (unless this Bond bears a "Registration Date" as of an interest payment date, in which case it shall bear interest from such date, or unless the "Registration Date" of this Bond is the delivery date of this Bond (or its Predecessor Bond) to the initial Holder, in which case it shall bear interest from the _____) at the per annum rate of interest specified above

computed on the basis of a 360-day year of twelve 30-day months; such interest being payable on _____, and each April 1 and October 1 thereafter until maturity or prior redemption. Principal of this Bond is payable at its Stated Maturity or date of redemption to the Holder hereof, upon presentation and surrender, at the Designated Payment/Transfer Office of _____, the Paying Agent/Registrar, or its successor. Interest is payable to the Holder of this Bond (or one or more Predecessor Bonds, as defined in the Resolution hereinafter referenced) whose name appears on the "Security Register" maintained by the Paying Agent/Registrar at the close of business on the "Record Date", which is the fifteenth (15th) day of the month next preceding each interest payment date, and interest shall be paid by the Paying Agent/Registrar by check sent United States Mail, first class postage prepaid, to the address of the Holder recorded in the Security Register or by such other method acceptable to the Paying Agent/Registrar, requested by, and at the risk and expense of the Holder. All payments of principal of, premium, if any, and interest on this Bond shall be in any coin or currency of the United States of America, which at the time of payment is legal tender for the payment of public and private debts.

If the date for payment of the principal of or interest on this Bond shall be a Saturday, Sunday, a legal holiday, or a day on which banking institutions in the city where the Designated Payment/Transfer Office of the Paying Agent/Registrar is located are authorized by law or executive order to close, then the date for such payment shall be the next succeeding day which is not such a Saturday, Sunday, legal holiday, or day on which banking institutions are authorized to close; and payment on such date shall have the same force and effect as if made on the original date payment was due.

This Bond is one of the series specified in its title issued in the aggregate principal amount of \$_____ (herein referred to as the "Bonds") for the purpose of providing funds for the discharge and final payment of the Refunded Bonds, the payment of all costs incident and related to the financing thereof, pursuant to authority conferred by and in conformity with the Constitution and the Laws of the State of Texas, including Texas Special District Local Laws Code, Chapter 8283, Texas Government Code, Chapter 1207, as amended, and pursuant to a Resolution adopted by the Board of Directors of the Authority (herein referred to as the "Resolution").

The Bonds maturing on and after _____, may be redeemed prior to their Stated Maturities, at the option of the Authority, in whole or in part, in principal amounts of \$5,000 or any integral multiple thereof (and if within a Stated Maturity selected by lot by the Paying Agent/Registrar) on _____, or on any date thereafter, at the redemption price of par, together with accrued interest to the date of redemption.

Not fewer than thirty (30) days prior to a redemption date for the Bonds, a notice of redemption shall be sent by United States Mail, first class postage prepaid, in the name of the Authority and at the Authority's expense, to each Registered Owner of a Bond to be redeemed and subject to the terms and provisions relating thereto contained in the Resolution. If this Bond (or any portion of the principal sum hereof) shall have been duly called for redemption and notice of such redemption duly given, then upon such redemption date this Bond (or the portion of the principal sum hereof to be redeemed) shall become due and payable, and, if moneys for the payment of the redemption price and the interest accrued on the principal amount to be redeemed to the date of redemption are held for the purpose of such payment by the Paying Agent/Registrar, interest shall cease to accrue and be payable hereon from and after the redemption date on the principal amount hereof to be redeemed.

In the event of a partial redemption of the principal amount of this Bond, payment of the redemption price of such principal amount shall be made to the Holder only upon presentation and surrender of this Bond to the Paying Agent/Registrar at the Designated Payment/Transfer Office, and there shall be issued, without charge therefor to the Holder hereof, a new Bond or Bonds of like maturity and interest rate in any authorized denominations provided by the Resolution for the then unredeemed balance of the principal sum hereof. If this Bond is selected for redemption, in whole or in part, the Authority and the Paying Agent/Registrar shall not be required to transfer this Bond to an assignee of the Holder within forty-five (45) days of the redemption date therefor; provided, however, such limitation on transferability shall not be applicable to an exchange by the Holder of the unredeemed balance hereof in the event of its redemption in part.

With respect to any optional redemption of the Bonds, unless certain prerequisites to such redemption required by the Resolution have been met and moneys sufficient to pay the principal of and premium, if any, and interest on the Bonds to be redeemed shall have been received by the Paying Agent/Registrar prior to the giving of such notice of redemption, such notice may state that said redemption is conditional upon the satisfaction of such prerequisites and receipt of such moneys by the Paying Agent/Registrar on or prior to the date fixed for such redemption. If a conditional notice of redemption is given and such prerequisites to the redemption are not satisfied or sufficient moneys are not received, such notice shall be of no force and effect, the Authority shall not redeem such Bonds and the Paying Agent/Registrar shall give notice, in the manner in which the notice of redemption was given, to the effect that the Bonds have not been redeemed.

The Bonds constitute special obligations of the Authority, and, together with the outstanding Previously Issued Bonds and any Additional Bonds, if issued, are payable as to principal and interest solely from and equally secured by a first lien on the Pledged Revenue of the Authority (identified and defined in the Resolution, and including revenues to be received under and pursuant to a Contract For Water Supply and Sewer Service between the Authority and the City of Sherman, Texas, dated as of March 1, 1985, together with all amendments thereto). Reference is hereby made to the Resolution, copies of which are on file in the Designated Payment/Transfer Office of the Paying Agent/Registrar, and to all of the provisions of which the Holder by his acceptance hereof hereby assents, for definitions of terms; the description of and the nature and extent of the revenues pledged for the payment of the Bonds; the terms and conditions relating to the transfer or exchange of this Bond; the conditions upon which the Resolution may be amended or supplemented with or without the consent of the Holders; the rights, duties, and obligations of the Authority and the Paying Agent/Registrar; the terms and provisions upon which this Bond may be discharged at or prior to its maturity, and deemed to be no longer Outstanding thereunder; and for the other terms and provisions thereof. Capitalized terms used herein have the same meanings assigned in the Resolution.

The Authority expressly reserves the right to issue further and additional revenue bond obligations in all things on a parity with the Bonds and the Previously Issued Bonds, payable solely from and equally secured by a first lien on the Pledged Revenue described above; provided, however, that any and all such Additional Bonds may be so issued only in accordance with and subject to the covenants, conditions, limitations and restrictions relating thereto which are set out and contained in the Resolution, to which reference is hereby made for more complete and full particulars.

The Holder hereof shall never have the right to demand payment of this obligation out of any funds raised or to be raised by taxation.

This Bond, subject to certain limitations contained in the Resolution, may be transferred on the Security Register only upon its presentation and surrender at the Designated Payment/Transfer Office of the Paying Agent/Registrar, with the Assignment hereon duly endorsed by, or accompanied by a written instrument of transfer in form satisfactory to the Paying Agent/Registrar duly executed by, the Holder hereof, or his duly authorized agent. When a transfer on the Security Register occurs, one or more new fully registered Bonds of the same Stated Maturity, of authorized denominations, bearing the same rate of interest, and of the same aggregate principal amount will be issued by the Paying Agent/Registrar to the designated transferee or transferees.

The Authority and the Paying Agent/Registrar, and any agent of either, shall treat the Holder whose name appears on the Security Register (i) on the Record Date as the owner entitled to payment of interest hereon, (ii) on the date of surrender of this Bond as the owner entitled to payment of principal hereof at its Stated Maturity or its redemption in whole or in part, and (iii) on any other date as the owner for all other purposes, and neither the Authority nor the Paying Agent/Registrar, or any agent of either, shall be affected by notice to the contrary. In the event of nonpayment of interest on a scheduled payment date and for thirty (30) days thereafter, a new record date for such interest payment (a "Special Record Date") will be established by the Paying Agent/Registrar, if and when funds for the payment of such interest have been received from the Authority. Notice of the Special Record Date and of the scheduled payment date of the past due interest (which shall be fifteen (15) days after the Special Record Date) shall be sent at least five (5) business days prior to the Special Record Date by United States mail, first class postage prepaid, to the address of each Holder appearing on the Security Register at the close of business on the last business day next preceding the date of mailing of such notice.

It is hereby certified, covenanted, and represented that all acts, conditions, and things required to be performed, exist, and be done precedent to or in the issuance of this Bond in order to render the same a legal, valid and binding obligation of the Authority have been performed, exist, and have been done, in regular and due time, form, and manner, as required by law, and that the issuance of the Bonds does not exceed any constitutional or statutory limitation. In case any provision in this Bond or any application thereof shall be invalid, illegal, or unenforceable, the validity, legality, and enforceability of the remaining provisions and applications shall not in any way be affected or impaired thereby. The terms and provisions of this Bond and the Resolution shall be construed in accordance with and shall be governed by the laws of the State of Texas.

IN WITNESS WHEREOF, the Board of Directors of the Authority has caused this Bond to be duly executed under the official seal of the Authority.

GREATER TEXOMA UTILITY AUTHORITY

President, Board of Directors

ATTEST:

Secretary, Board of Directors

(SEAL)

(c) Form of Registration Certificate of Comptroller of Public Accounts to appear on Initial Bond(s) only.

REGISTRATION CERTIFICATE OF
COMPTROLLER OF PUBLIC ACCOUNTS

OFFICE OF THE COMPTROLLER
OF PUBLIC ACCOUNTS

THE STATE OF TEXAS

(
(
(
(

REGISTER NO. _____

I HEREBY CERTIFY that this Bond has been examined, certified as to validity and approved by the Attorney General of the State of Texas, and duly registered by the Comptroller of Public Accounts of the State of Texas.

WITNESS my signature and seal of office this _____.

Comptroller of Public Accounts
of the State of Texas

(SEAL)

(d) Form of Certificate of Paying Agent/Registrar to appear on the definitive Bonds.

CERTIFICATE OF PAYING AGENT/REGISTRAR

This Bond has been duly issued under the provisions of the within-mentioned Resolution; the bond or bonds of the above entitled and designated series originally delivered having been approved by the Attorney General of the State of Texas and registered by the Comptroller of Public Accounts, as shown by the records of the Paying Agent/Registrar.

The principal office of the Paying Agent/Register in _____ is the "Designated Payment/Transfer Office" for this Bond.

_____,
as Paying Agent/Registrar

Registration Date:

By: _____
Authorized Signature

(e) Form of Assignment.

ASSIGNMENT

FOR VALUE RECEIVED the undersigned hereby sells, assigns, and transfers unto
(Print or typewrite name, address, and zip code of transferee:) _____

(Social Security or other identifying number: _____) the within Bond and all
rights thereunder, and hereby irrevocably constitutes and appoints _____

attorney
to transfer the within Bond on the books kept for registration thereof, with full power of substitution
in the premises.

DATED: _____

Signature guaranteed:

NOTICE: The signature on this assignment must
correspond with the name of the registered owner
as it appears on the face of the within Bond in
every particular.

(f) The Initial Bond(s) shall be in the form set forth in paragraph (b) of this Section,
except that the form of a single fully registered Initial Bond shall be modified as follows:

REGISTERED
NO. T-1

REGISTERED
\$ _____

UNITED STATES OF AMERICA
STATE OF TEXAS
COUNTIES OF COOKE, FANNIN, GRAYSON AND COLLIN
GREATER TEXOMA UTILITY AUTHORITY
CONTRACT REVENUE REFUNDING BOND, SERIES 2021
(CITY OF SHERMAN PROJECT)

Bond Date: _____

Registered Owner:

Principal Amount:

The Greater Texoma Utility Authority (hereinafter referred to as the "Authority"), for value
received, hereby promises to pay to the Registered Owner named above (the "Holder") or the
registered assigns thereof, solely from the revenues hereinafter identified, on _____ in each
of the years and in principal amounts and bearing interest at per annum rates in accordance with
the following schedule:

<u>YEAR</u>	<u>PRINCIPAL INSTALLMENTS</u>	<u>INTEREST RATE</u>
-------------	-----------------------------------	--------------------------

(Information to be inserted from schedule in the Pricing Certificate)

(or so much thereof as shall not have been paid upon prior redemption) and to pay interest on the unpaid principal amount hereof from the interest payment date next preceding the "Registration Date" of this Bond appearing below (unless this Bond bears a "Registration Date" as of an interest payment date, in which case it shall bear interest from such date, or unless the "Registration Date" of this Bond is the delivery date of this Bond (or its Predecessor Bond) to the initial Holder, in which case it shall bear interest from the _____ at the per annum rates of interest specified above computed on the basis of a 360-day year of twelve 30-day months; such interest being payable on _____, and each April 1 and October 1 thereafter until maturity or prior redemption. Principal of this Bond is payable at its Stated Maturity or redemption to the Holder hereof by _____ (the "Paying Agent/Registrar"), upon presentation and surrender, at its designated offices in _____ (the "Designated Payment/Transfer Office"), or its successor. Interest is payable to the Holder of this Bond (or one or more Predecessor Bonds, as defined in the Resolution hereinafter referenced) whose name appears on the "Security Register" maintained by the Paying Agent/Registrar at the close of business on the "Record Date", which is the fifteenth (15th) day of the month next preceding each interest payment date, and interest shall be paid by the Paying Agent/Registrar by check sent United States Mail, first class postage prepaid, to the address of the registered owner recorded in the Security Register or by such other method acceptable to the Paying Agent/Registrar, requested by, and at the risk and expense of the Holder. All payments of principal of, premium, if any, and interest on this Bond shall be in any coin or currency of the United States of America, which at the time of payment is legal tender for the payment of public and private debts.

SECTION 10: Certain Definitions. In addition to terms defined elsewhere in this Resolution, for all purposes of this Resolution and in particular for clarity with respect to the issuance of the Bonds and the pledge and appropriation of the Pledged Revenue therefor, the following definitions are provided:

(a) The term "Additional Bonds" shall mean parity revenue bonds issued in accordance with the terms and conditions prescribed in Section 19 hereof.

(b) The term "Authorized Investments" shall mean the obligations identified in the "Public Funds Investment Act" (Texas Government Code, Chapter 2256), as amended.

(c) The term "Bonds" shall mean the "Greater Texoma Utility Authority Contract Revenue Refunding Bonds, Series 2021 (City of Sherman Project)" authorized by this Resolution.

(d) The term "Bonds Similarly Secured" shall mean the Bonds, Previously Issued Bonds, and Additional Bonds.

(e) The term "Contract" or "Contract for Water Supply and Sewer Service" shall mean that certain contract, dated as of the 1st day of March, 1985, by and between the Authority and the City of Sherman, Texas, together with amendments and supplements thereto (which by the term of such instrument is designated as a supplement to such Contract), a conformed copy of such Contract being attached hereto as Exhibit B for the purposes of identification only.

(f) The term "Fiscal Year" shall mean the twelve month operational period of the Authority commencing October 1 of each year; provided, however, the Authority may change the fiscal year to another period of not less than twelve (12) calendar months but in no event may the fiscal year be changed more than one time in any three calendar year period.

(g) The term "Government Obligations" as used herein (unless defined otherwise in the Pricing Certificate), means (i) direct noncallable obligations of the United States of America, including obligations the principal of and interest on which are unconditionally guaranteed by the United States of America, (ii) noncallable obligations of an agency or instrumentality of the United States, including obligations unconditionally guaranteed or insured by the agency or instrumentality and, on the date of their acquisition or purchase by the Authority, are rated as to investment quality by a nationally recognized investment rating firm not less than AAA or its equivalent, (iii) noncallable obligations of a state or an agency or a county, municipality or other political subdivision of a state that have been refunded and that, on the date of their acquisition or purchase by the Authority, are rated as to investment quality by a nationally recognized investment rating firm not less than AAA or its equivalent and (iv) any other authorized securities or obligations under applicable laws of the State of Texas that may be used to defease obligations such as the Bonds.

(h) The term "Maintenance and Operation Expense of the Project" shall have the meaning assigned such term in Section 1.01 of the Contract.

(i) The term "Outstanding" shall mean when used in this Resolution with respect to Bonds or Bonds Similarly Secured, as of the date of determination, all Bonds or Bonds Similarly Secured theretofore issued and delivered, except:

(i) those Bonds or Bonds Similarly Secured canceled by the Paying Agent/Registrar or delivered to the Paying Agent/Registrar for cancellation;

(ii) those Bonds or Bonds Similarly Secured paid or deemed to be paid in accordance with the provisions of Section 27 hereof; and

(iii) those Bonds or Bonds Similarly Secured that have been mutilated, destroyed, lost, or stolen and replacement Bonds have been registered and delivered in lieu thereof as provided in Section 30 hereof or similar provisions with respect to Bonds Similarly Secured.

(j) The term "Pledged Revenue" shall mean (i) the amount received by the Authority as monthly amortization payments by reason of Section 3.01 (a) of the Contract, less the fees and charges of the Paying Agent/Registrar with respect to Bonds Similarly Secured, plus (ii) the amounts deposited into the Bond Fund reaffirmed by Section 12(b) of this Resolution, and the Reserve Fund reaffirmed by Section 12(c) of this Resolution; plus (iii) any amounts on deposit in any construction fund, created and established by a resolution authorizing the issuance of the Bonds or Bonds Similarly Secured, pending the application of such money for the payment of the Cost of a Project.

(k) The term "Previously Issued Bonds" shall mean the Outstanding (1) "Greater Texoma Utility Authority Contract Revenue Bonds, Series 2006 (City of Sherman Project)", (2) "Greater Texoma Utility Authority Contract Revenue Bonds, Series 2011 (City of Sherman Project)", (3) "Greater Texoma Utility Authority Contract Revenue Bonds, Series 2012 (City of Sherman Project)", (4) "Greater Texoma Utility Authority Contract Revenue Refunding Bonds, Series 2012A (City of Sherman Project)", (5) "Greater Texoma Utility Authority Contract Revenue Bonds, Series 2013 (City of Sherman Project)", (6) "Greater Texoma Utility Authority Contract Revenue Bonds, Series 2013A (City of Sherman Project)", (7) "Greater Texoma Utility Authority Contract Revenue Bonds, Series 2014 (City of Sherman Project)", (8) "Greater Texoma Utility Authority Contract Revenue Bonds, Series 2015 (City of Sherman Project)", (9) "Greater Texoma

Utility Authority Contract Revenue Bonds, Series 2015A (City of Sherman Project)", (10) "Greater Texoma Utility Authority Contract Revenue Bonds, Series 2015B (City of Sherman Project)", (11) "Greater Texoma Utility Authority Contract Revenue Bonds, Series 2017 (City of Sherman Project)", (12) "Greater Texoma Utility Authority Contract Revenue Bonds, Series 2017A (City of Sherman Project)", (13) "Greater Texoma Utility Authority Contract Revenue and Refunding Bonds, Series 2019 (City of Sherman Project)", (14) "Greater Texoma Utility Authority Contract Revenue Bonds, Series 2019A (City of Sherman Project)", (15) "Greater Texoma Utility Authority Contract Revenue Bonds, Series 2020 (City of Sherman Project)", and (16) "Greater Texoma Utility Authority Contract Revenue Bonds, Series 2021 (City of Sherman Project)", heretofore issued which are in every respect on a parity with the Bonds.

(l) The term "Project" shall mean, with respect to the Bonds Similarly Secured, collectively, the projects described as such in the exhibits attached to the ordinances of the City that have from time to time approved the issuance of Bonds Similarly Secured by the Authority for the financing of such projects.

SECTION 11: Pledge. The Authority hereby covenants and agrees that all of the Pledged Revenue is hereby irrevocably pledged for the payment of the Bonds Similarly Secured, and the interest thereon, and it is hereby declared and resolved that the Bonds Similarly Secured and the interest thereon shall constitute a first lien upon said Pledged Revenue.

Texas Government Code, Chapter 1208, as amended, applies to the issuance of the Bonds Similarly Secured and the pledge of the Pledged Revenue granted by the Authority under this Section of this Resolution, and such pledge is therefore valid, effective, and perfected. If Texas law is amended at any time while the Bonds are Outstanding and unpaid such that the pledge of the Pledged Revenue granted by the Authority under this Section of this Resolution is to be subject to the filing requirements of Texas Business & Commerce Code, Chapter 9, as amended, then in order to preserve to the registered owners of the Bonds the perfection of the security interest in said Pledged Revenue, the Authority agrees to take such measures as it determines are reasonable and necessary under Texas law to comply with the applicable provisions of Texas Business & Commerce Code, Chapter 9, as amended, and enable a filing to perfect the security interest in said Pledged Revenue to occur.

SECTION 12: Fund Designations. The Authority hereby covenants and agrees with the Holders of the Bonds Similarly Secured that all income, receipts and revenues derived from the operation and ownership of the Project shall be kept separate from other funds or accounts of the Authority. To that end the following special Funds (herein so called) were created and established by a resolution authorizing Previously Issued Bonds and shall exist and govern the application of the Pledged Revenue while the Bonds Similarly Secured are Outstanding, to wit:

(a) Greater Texoma Utility Authority Revenue Fund, hereinafter called "Revenue Fund". This Fund shall be kept in a depository of the Authority.

(b) Greater Texoma Utility Authority Bond Interest and Sinking Fund, hereinafter called "Bond Fund". This Fund shall be deposited with a depository of the Authority as trustee of the Pledged Revenue, and moneys deposited therein shall be used to pay principal of and interest on Bonds Similarly Secured when and as the same shall become due and payable.

(c) Greater Texoma Utility Authority Bond Reserve Fund, hereinafter called "Reserve Fund". This Fund shall be deposited with a depository of the Authority and money deposited

therein shall be used to pay the principal of and interest on Bonds Similarly Secured falling due at any time where there is insufficient money available in the Bond Fund.

SECTION 13: Revenue Fund. All revenues and income of any kind or character received by the Authority by reason of (i) its ownership of all or a part of the Project, (ii) the operation of the Project, or (iii) the Contract, shall be deposited in the Revenue Fund.

In the event money is deposited in the Revenue Fund from sources other than those specified in Section 3.01 of the Contract, then such money may be invested or reinvested or placed on time deposit in the same manner as the Reserve Fund pending its application to the reduction of payments that would otherwise be required to be made by the City under Section 3.01 of the Contract. Investment income and profits from the investment of the Revenue Fund shall be retained therein until used as provided in this Section.

Money in the Revenue Fund shall be used in the following order of priority:

1. Payments into the Bond Fund, as provided by Section 14;
2. Payments into the Reserve Fund, as provided by Section 15;
3. The curing of any deficiencies, as provided by Section 16;
4. The payment of other costs of the Project including maintenance and operation expenses not paid by the Authority and those purposes for which provision is made by Section 3.01(c) through 3.01(e) of the Contract; and
5. Applied as provided in Section 17.

SECTION 14: Bond Fund. The Authority hereby covenants and agrees to deposit to the credit of the Bond Fund amounts sufficient to pay the principal of and interest on the outstanding Bonds Similarly Secured as the same becomes due. There shall be deposited into the Bond Fund, by reason of the issuance of the Bonds, from the Pledged Revenue on deposit in the Revenue Fund (i) beginning on or before the twenty-fifth (25th) day of the month next following delivery of the Bonds and on or before the twenty-fifth (25th) day of each following month until and including the first interest payment date, an amount equal to not less than the fractional amount required in order to have the amount of the first installment of interest on deposit by the twenty-fifth (25th) day of the month next preceding the first interest payment date, and thereafter on the twenty-fifth (25th) day of each following month, an amount equal to not less than one sixth (1/6) of the next installment of interest; (ii) beginning on or before the twenty-fifth (25th) day of the month next following delivery of the Bonds, and on or before the twenty-fifth (25th) day of each following month until and including the first principal payment date, an amount equal to not less than the fractional amount required in order to have the amount of the first installment of principal on deposit by the twenty-fifth (25th) day of the month preceding the first principal payment date, and thereafter on or before the twenty-fifth (25th) day of each month, an amount equal to one twelfth (1/12) of the next annual principal payment to become due on the Bonds.

The amounts required to be so deposited shall take into account amounts already on deposit in the Bond Fund.

The monthly deposits to the Bond Fund for the payment of principal and interest on the Bonds shall continue to be made as hereinabove provided until such time as (i) the total amount

on deposit in the Bond Fund is equal to the amount required to pay all Outstanding Bonds Similarly Secured (principal and interest) for which said Fund was created and established or (ii) the Bonds Similarly Secured payable therefrom are no longer Outstanding.

Moneys on deposit in the Bond Fund may be invested, to the extent such investments are Authorized Investments, in United States Treasury bills, in similar direct obligations of the United States of America, or in certificates of deposit of any bank that is a member of the Federal Deposit Insurance Corporation (which are fully secured by a pledge of direct obligations of, or obligations of which the principal and interest are guaranteed by, the United States of America to the extent such certificates are not insured) maturing at such dates and in such manner as will provide cash to discharge interest and/or principal payments on Bonds Similarly Secured when and as the same become due.

Investment income and profits realized from the investment of the Bond Fund shall be retained therein until used as provided in this Section. Accrued interest, if any, shall be deposited into the Bond Fund.

SECTION 15: Reserve Fund. Upon the delivery of the Bonds, amounts on deposit in the Reserve Fund, allocated as a part of the Reserve Fund for the security of "Bonds Similarly Secured" under the resolutions authorizing the issuance of such Bonds Similarly Secured (including amounts held in the Reserve Fund by reason of the issuance of the Previously Issued Bonds) shall continue to be held as a part of the Reserve Fund for the security and payment, if required, of Bonds Similarly Secured as defined herein. The Authority hereby covenants and agrees with the holders of the Bonds Similarly Secured that it will provide for the accumulation of, and when accumulated, will thereafter continuously maintain in the Reserve Fund an amount equal to the average annual principal and interest requirement of all Bonds Similarly Secured (the Required Reserve Fund Amount). If any Bonds Similarly Secured are subject to mandatory redemption, the amount required to be redeemed in any Fiscal Year shall be treated as if it matured in that Fiscal Year. The average annual requirement shall be calculated on a Fiscal Year basis on the Outstanding Bonds Similarly Secured on the date of the last series of Bonds Similarly Secured (after giving effect to the issuance of such last series); provided, however, at such time as the Previously Issued Bonds identified in 1 through 3 of Section 10(k) hereof are no longer Outstanding, the average annual requirement shall also be calculated at the end of each Fiscal Year. Any amounts on deposit in the Reserve Fund in excess of such requirement shall be transferred to the Revenue Fund.

In addition, beginning on or before the twenty-fifth (25th) day of the month following the delivery of the Bonds, and on or before the twenty-fifth (25th) day of each month thereafter, there shall be deposited in the Reserve Fund substantially equal monthly deposits in an amount which will result in the Required Reserve Fund Amount being on deposit in the Reserve Fund within not more than sixty (60) months from the date of the passage of this Resolution, and such monthly deposits shall take into account the amounts already on deposit in said Reserve Fund.

When the Required Reserve Fund Amount has been fully accumulated, said monthly payments to said Fund may be terminated; provided, however, should the money in the Reserve Fund be utilized so the Reserve Fund balance is less than the Required Reserve Fund Amount, after the same has been accumulated, monthly deposits shall be made in an amount not less than one-twelfth (1/12th) of the amount of the deficiency and shall continue to be made on or before the twenty-fifth (25th) day of each month until the Required Reserve Fund Amount has been fully restored.

Money in the Reserve Fund may be, at the option of the Authority, invested or reinvested from time to time in direct obligations of or obligations the principal and interest of which are guaranteed by the United States of America or invested in direct obligations of or participation certificates guaranteed by the Federal Intermediate Credit Banks, Federal Land Banks, Federal National Mortgage Association, Federal Home Loan Banks, Banks for Cooperatives, and in certificates of deposit of any bank which is a member of the Federal Deposit Insurance Corporation, and such certificates of deposit are fully insured and/or secured by a pledge of the securities of any of the kind hereinabove specified, such obligations or securities to mature in not more than ten years from the date of such investment or not later than the final maturity of the Bonds Similarly Secured Outstanding for which the Reserve Fund is established, whichever is shorter. Any obligations in which money is so invested shall be kept in escrow with the custodian of said Fund, and shall be promptly sold when notified by the Authority that moneys on deposit in the Bond Fund are insufficient to make a current interest and/or principal payment on Bonds Similarly Secured, and the proceeds of sale of such investments and/or moneys on deposit in the Reserve Fund in an amount sufficient to meet the deficiency in the Bond Fund shall be immediately transferred to the Bond Fund, without further notice or authorization. The Authority shall direct the investment of moneys on deposit in the Reserve Fund.

Investment income and profits realized from the investment of the Reserve Fund shall be retained therein as may be necessary to fully establish or restore the Required Reserve Fund Amount and thereafter shall be transferred to the Revenue Fund.

Investments in the Reserve Fund shall be valued at the lower of cost or market on June 1 of each year, by the chief financial officer of the Authority. In the event the amount contained in the Reserve Fund (as the result of such valuation) is less than the amount then required to be on deposit, additional deposits in an amount equal to not less than 1/12th of the deficiency shall be made monthly, beginning on the 25th day of October next following until the deficiency has been corrected. In the event the amount contained in the Reserve Fund (as a result of such valuation) is more than the Required Reserve Fund Amount, the amount of such excess may be transferred to the Revenue Fund and shall be so transferred if directed by the Authority.

SECTION 16: Deficiencies in Funds. If in any month the Authority shall, for any reason, fail to pay into the Bond Fund and Reserve Fund the full amounts above stipulated, amounts equivalent to such deficiencies shall be set apart and paid into said Funds from the first available and un-allocated Pledged Revenue of the following month or months, and such payments shall be in addition to the amount hereinabove provided to be otherwise paid into said Funds during such month or months.

SECTION 17: Remainder of Revenues. Money remaining in the Revenue Fund, after making the payments required in items (1) through (4) of the last paragraph of Section 13, shall be transferred to any other fund created by this Resolution and used as a credit to the amount that would otherwise be required to be paid by the City under Section 3.01 of the Contract.

SECTION 18: Security of Funds and Their Transfer. All moneys on deposit in the special Funds for which this Resolution makes provision (except any portions thereof as may be at any time properly invested) shall be secured in the manner and to the fullest extent required by the laws of the State of Texas for the security of public funds, and moneys in such special Funds shall be used only for the purposes permitted by this Resolution.

While any of the Bonds are Outstanding, the Board shall cause to be transferred to the Paying Agent/Registrar therefor, from funds on deposit in the Bond Fund and, if necessary, in the

Reserve Fund, amounts sufficient to fully pay and discharge promptly as each installment of interest and principal of the Bonds accrues or matures or comes due by reason of redemption prior to maturity, such transfer of funds to be made in such manner as will cause immediately available funds to be deposited with the Paying Agent/Registrar for the Bonds at the close of the business day next preceding the date of payment for the Bonds.

SECTION 19: Issuance of Additional Parity Bonds. In addition to the right to issue bonds of inferior lien as authorized by the laws of this State, the Authority reserves the right hereafter to issue Additional Bonds. The Additional Bonds, when issued, shall be payable from and secured by a first lien on and pledge of the Pledged Revenue in the same manner and to the same extent as are the Bonds and the Previously Issued Bonds. Bonds Similarly Secured shall in all respects be of equal dignity. The Additional Bonds may be issued in one or more installments provided, however, that no Additional Bonds shall be issued unless and until the following conditions have been met:

(a) The Authority is not then in default as to any covenant, condition or obligation prescribed in a resolution authorizing the issuance of the Outstanding Bonds Similarly Secured or the Contract (including any amendment or supplement thereto).

(b) A consulting engineer certifies to the Authority the need for an estimated amount of additional financing required for completion, expansion, enlargement or improvement of the Project.

(c) The City of Sherman, Texas, shall have approved the resolution(s) authorizing the issuance of the Additional Bonds as to form and content and acknowledged that the payment of principal of and interest on such bonds is payable, in whole or in part, from payments to be made by the City of Sherman, Texas, under and pursuant to the Contract.

(d) The Additional Bonds are made to mature on October 1 or April 1 or both in each of the years in which they are scheduled to mature.

(e) The resolution authorizing the issuance of the Additional Bonds provides for deposits to be made to the Bond Fund in amounts sufficient to pay the principal of and interest on such Additional Bonds as the same become due.

(f) The resolution authorizing the issuance of the Additional Bonds provides that (i) the amount to be accumulated and maintained in the Reserve Fund shall be in an amount equal to not less than the average annual requirement (calculated on a Fiscal Year basis) of the Outstanding Bonds Similarly Secured, as of the date of the last series of Bonds Similarly Secured after giving effect to the issuance of the Additional Bonds) for the payment of principal of and interest on all obligations to be secured by a first lien on and pledge of the Pledged Revenue, and (ii) any additional amount to be maintained in the Reserve Fund shall be accumulated within not more than 60 months from the date of the passage of the resolution authorizing the issuance of the proposed Additional Bonds.

(g) The Authority will demonstrate to the Executive Administrator of the Texas Water Development Board that the Pledged Revenues will be sufficient to pay the Previously Issued Bonds, the Bonds and the proposed Additional Bonds.

Bonds Similarly Secured may be refunded (pursuant to any law then available) upon such terms and conditions as the governing body of the Authority may deem to be in the best interest

of the Authority, and if less than all such Outstanding Bonds Similarly Secured are refunded the proposed refunding bonds shall be considered as "Additional Bonds" under the provisions of this Section, but the certificate required in subdivision (b) shall not be required or be applicable to the issuance of such refunding bonds.

SECTION 20: Insurance. The Authority covenants that it will at all times keep insured such of its plants, structures, buildings, stations, machinery, equipment, apparatus, distribution pipelines and equipment, as are usually insured by corporations operating like properties, with a responsible insurance company or companies, against risks, accidents or casualties against which and to the extent insurance is usually carried by corporations operating like properties, and will also at all times maintain worker's compensation insurance and insurance against public liability and property damages to the extent permitted by law, in a reasonable amount with a responsible insurance company or companies; provided, however, that any time while any contractor engaged in construction work shall be fully responsible therefor, or the Authority has assumed such responsibility, the Authority shall not be required to carry such insurance.

SECTION 21: Records - Accounts - Accounting Reports. The Authority hereby covenants and agrees that so long as any of the Bonds Similarly Secured or any interest thereon remain Outstanding and unpaid, it will keep and maintain a proper and complete system of records and accounts on a Fiscal Year basis pertaining to the operation of the Project separate and apart from all other records and accounts of the Authority in accordance with accepted accounting practices, and complete and correct entries shall be made of all transactions relating to said Project. The Holder or Holders of any Bonds Similarly Secured, or any duly authorized agent or agents of such Holders, shall have the right at all reasonable times to inspect all such records, accounts and data relating thereto and to inspect the Project and all properties comprising same. The Authority further agrees that within one hundred twenty (120) days following the close of each Fiscal Year, or as soon thereafter as possible, it will cause an audit of such books and accounts to be made by an independent firm of Certified Public Accountants or Licensed Public Accountants. Each such audit, in addition to whatever other matters may be thought proper by the Accountant shall particularly include the following:

- (a) A detailed statement of the receipts and disbursements from the Revenue Fund.
- (b) A balance sheet as of the end of such Fiscal Year.
- (c) The Accountant's comments regarding the manner in which the Authority and the City have complied with the covenants and requirements of this Resolution and the Contract and his recommendations for any changes or improvements in the operation, records and accounts of the Authority.
- (d) A list of the insurance policies in force (if obtained by the Authority) at the end of the Fiscal Year on the Project properties, setting out as to each policy the amount thereof, the risk covered, the name of the insurer, and the policy's expiration date.
- (e) A list of the securities which have been on deposit as security for money in the Bond Fund and Reserve Fund throughout the Fiscal Year, a list of the securities, if any, in which money in the Bond Fund and Reserve Fund has been invested, and a statement of the manner in which money in the Revenue Fund has been secured in such Fiscal Year.

Expenses incurred in making the audits above referred to are to be regarded as Maintenance and Operating Expenses of the Project and paid as such. Copies of the aforesaid

annual audit shall be immediately furnished to the Executive Director of the Municipal Advisory Council of Texas at his or her office in Austin, Texas, and, upon written request, to the initial Holder and any subsequent Holder of the Bonds Similarly Secured.

By its approval of this Resolution, the City of Sherman, Texas, agrees, in order to secure its obligations under the Contract, to maintain rates and charges for its utility system sufficient to pay all of its obligations secured by and made payable from the revenues derived from the operation of its utility system.

SECTION 22: Remedies in Event of Default. In addition to all the rights and remedies provided by the laws of the State of Texas, the Authority covenants and agrees particularly that in the event the Authority (a) defaults in payments to be made to the Bond Fund or Reserve Fund as required by this Resolution, or (b) defaults in the observance or performance of any other of the covenants, conditions or obligations set forth in this Resolution any Holder shall be entitled to a writ of mandamus issued by a court of proper jurisdiction compelling and requiring the Board and other officers of the Authority to observe and perform any covenant, condition or obligation prescribed in this Resolution.

No delay or omission to exercise any right or power accruing upon any default shall impair any such right or power, or shall be construed to be a waiver of any such default or acquiescence therein, and every such right or power may be exercised from time to time and as often as may be deemed expedient. The specific remedy herein provided shall be cumulative of all other existing remedies and the specification of such remedies shall not be deemed to be exclusive.

SECTION 23: Special Covenants. The Authority hereby further covenants as follows:

(a) It has the lawful power to pledge the revenues supporting this issue of Bonds and has lawfully exercised said power under the Constitution and laws of the State of Texas; that the Bonds, Previously Issued Bonds, and the Additional Bonds, when issued, shall be ratably secured under said pledge of the Pledged Revenue in such manner that one bond shall have no preference over any other bond of said issues.

(b) Other than for the Bonds and the Previously Issued Bonds, the Pledged Revenue has in no manner been committed or pledged to the payment of any debt or obligation of the Authority.

(c) So long as any of the Bonds or any interest thereon remain Outstanding, the Authority will not sell or encumber the Project or any substantial part thereof; provided, however, this covenant shall not be construed to prohibit the sale of such machinery, or other properties or equipment which has become obsolete or otherwise unsuited to the efficient operation of the Project, and, also, with the exception of the Additional Bonds expressly permitted by this Resolution to be issued, it will not encumber the Pledged Revenue unless such encumbrance is made junior and subordinate to all of the provisions of this Resolution.

(d) The Authority will maintain rates and charges to the City sufficient to meet the debt service requirements on the Outstanding obligations of the Authority that are supported by such revenues.

None of the special covenants herein appearing shall be construed in any manner which would deprive the Authority of its right to pledge any revenues produced by modification of the Contract and specifically designated to meet obligations incurred in providing the Authority with

enlarged or additional facilities; further, that none of said covenants shall be construed in any manner which would deprive the Authority of its right to pledge that part of any revenue or income derived by it from other future contracts with other cities, towns or villages or the Authority or others and required to satisfy conditions for payment of other bonds or obligations issued by the Authority and such right is especially reserved.

SECTION 24: Bonds are Special Obligations. The Bonds are special obligations of the Authority payable from the Pledged Revenue and the Holders thereof shall never have the right to demand payment thereof out of funds raised or to be raised by taxation.

SECTION 25: Bonds are Negotiable Instruments. Each of the Bonds herein authorized shall be deemed and construed to be a "Security" and as such a negotiable instrument, within the meaning of Texas Business & Commerce Code, Chapter 8, as amended.

SECTION 26: Resolution a Contract - Amendments. This Resolution shall constitute a contract with the Holders from time to time, be binding on the Authority, and shall not be amended or repealed by the Authority so long as any Bond remains Outstanding except as permitted in this Section and in Section 41 hereof. The Authority, may, without the consent of or notice to any Holders, from time to time and at any time, amend this Resolution in any manner not detrimental to the interests of the Holders, including the curing of any ambiguity, inconsistency, or formal defect or omission herein. In addition, the Authority may, with the written consent of Holders holding a majority in aggregate principal amount of the Bonds Similarly Secured then outstanding, amend, add to, or rescind any of the provisions of this Resolution; provided that, without the consent of all Holders of the Bonds then outstanding, no such amendment, addition, or rescission shall (1) extend the time or times of payment of the principal of, premium, if any, and interest on the Bonds, reduce the principal amount thereof, the redemption price therefor, or the rate of interest thereon, or in any other way modify the terms of payment of the principal of, premium, if any, or interest on the Bonds, (2) give any preference to any Bond over any other Bond, or (3) reduce the aggregate principal amount of Bonds required to be held by Holders for consent to any such amendment, addition, or rescission.

SECTION 27: Satisfaction of Obligation of Authority. If the Authority shall pay or cause to be paid, or there shall otherwise be paid to the Holders, the principal of, premium, if any, and interest on the Bonds, at the times and in the manner stipulated in this Resolution, then the pledge of the Pledged Revenue under this Resolution and all other obligations of the Authority to the Holders shall thereupon cease, terminate, and become void and be discharged and satisfied.

Bonds or any principal amount(s) thereof shall be deemed to have been paid within the meaning and with the effect expressed above in this Section when (i) money sufficient to pay in full such Bonds or the principal amount(s) thereof at maturity or to the redemption date therefor, together with all interest due thereon, shall have been irrevocably deposited with and held in trust by the Paying Agent/Registrar, or an authorized escrow agent, or (ii) Government Obligations shall have been irrevocably deposited in trust with the Paying Agent/Registrar, or an authorized escrow agent, which Government Obligations shall mature as to principal and interest in such amounts and at such times as will insure the availability, without reinvestment, of sufficient money, together with any moneys deposited therewith, if any, to pay when due the principal of and interest on such Bonds, or the principal amount(s) thereof, on and prior to the Stated Maturity thereof or (if notice of redemption has been duly given or waived or if irrevocable arrangements therefor acceptable to the Paying Agent/Registrar have been made) the redemption date thereof. In the event of a defeasance of the Bonds, the Authority shall deliver a certificate from its financial advisor, the Paying Agent/Registrar, an independent certified public accountant, or another

qualified third party concerning the sufficiency of the deposit of cash and/or Government Obligations to pay, when due, the principal of, redemption premium (if any), and interest due on any defeased Bonds. The Authority covenants that no deposit of moneys or Government Obligations will be made under this Section and no use made of any such deposit which would cause the Bonds to be treated as "arbitrage bonds" within the meaning of Section 148 of the Internal Revenue Code of 1986, as amended, or regulations adopted pursuant thereto.

Any moneys so deposited with the Paying Agent/Registrar, or an authorized escrow agent, and all income from Government Obligations held in trust by the Paying Agent/Registrar or an authorized escrow agent, pursuant to this Section which is not required for the payment of the Bonds, or any principal amount(s) thereof, or interest thereon with respect to which such moneys have been so deposited shall be remitted to the Authority or deposited as directed by the Authority. Furthermore, any money held by the Paying Agent/Registrar for the payment of the principal of and interest on the Bonds and remaining unclaimed for a period of three (3) years after the Stated Maturity, or applicable redemption date, of the Bonds such moneys were deposited and are held in trust to pay shall, upon the request of the Authority, be remitted to the Authority against a written receipt therefor. Notwithstanding the above and foregoing, any remittance of funds from the Paying Agent/Registrar to the Authority shall be subject to any applicable unclaimed property laws of the State of Texas.

SECTION 28: Notices to Holders-Waiver. Wherever this Resolution provides for notice to Holders of any event, such notice shall be sufficiently given (unless otherwise herein expressly provided) if in writing and sent by United States mail, first class postage prepaid, to the address of each Holder as it appears in the Security Register.

In any case in which notice to Holders is given by mail, neither the failure to mail such notice to any particular Holders, nor any defect in any notice so mailed, shall affect the sufficiency of such notice with respect to all other Bonds. Where this Resolution provides for notice in any manner, such notice may be waived in writing by the Holder entitled to receive such notice, either before or after the event with respect to which such notice is given, and such waiver shall be the equivalent of such notice. Waivers of notice by Holders shall be filed with the Paying Agent/Registrar, but such filing shall not be a condition precedent to the validity of any action taken in reliance upon such waiver.

SECTION 29: Cancellation. All Bonds surrendered for payment, redemption, transfer, exchange, or replacement, if surrendered to the Paying Agent/Registrar, shall be promptly canceled by it and, if surrendered to the Authority, shall be delivered to the Paying Agent/Registrar and, if not already canceled, shall be promptly canceled by the Paying Agent/Registrar. The Authority may at any time deliver to the Paying Agent/Registrar for cancellation any Bonds previously certified or registered and delivered which the Authority may have acquired in any manner whatsoever, and all Bonds so delivered shall be promptly canceled by the Paying Agent/Registrar. All canceled Bonds held by the Paying Agent/Registrar shall be destroyed as directed by the Authority.

SECTION 30: Mutilated - Destroyed - Lost and Stolen Bonds. In case any Bond shall be mutilated, or destroyed, lost or stolen, the Paying Agent/Registrar may execute and deliver a replacement Bond of like form and tenor, and in the same denomination and bearing a number not contemporaneously outstanding, in exchange and substitution for such mutilated Bond, or in lieu of and in substitution for such destroyed, lost or stolen Bond, only upon the approval of the Authority and after (i) the filing by the Holder thereof with the Paying Agent/Registrar of evidence satisfactory to the Paying Agent/Registrar of the destruction, loss or theft of such Bond, and of

the authenticity of the ownership thereof and (ii) the furnishing to the Paying Agent/Registrar of indemnification in an amount satisfactory to hold the Authority and the Paying Agent/Registrar harmless. All expenses and charges associated with such indemnity and with the preparation, execution and delivery of a replacement Bond shall be borne by the Holder of the Bond mutilated, or destroyed, lost or stolen.

Every replacement Bond issued pursuant to this Section shall be a valid and binding obligation, and shall be entitled to all the benefits of this Resolution equally and ratably with all other Outstanding Bonds; notwithstanding the enforceability of payment by anyone of the destroyed, lost, or stolen Bonds.

The provisions of this Section are exclusive and shall preclude (to the extent lawful) all other rights and remedies with respect to the replacement and payment of mutilated, destroyed, lost or stolen Bonds.

SECTION 31: Covenants to Maintain Tax-Exempt Status.

(a) Definitions. When used in this Section, the following terms shall have the following meanings:

“Closing Date” means the date on which the Bonds are first authenticated and delivered to the initial purchasers against payment therefor.

“Code” means the Internal Revenue Code of 1986, as amended by all legislation, if any, effective on or before the Closing Date.

“Computation Date” has the meaning set forth in Section 1.148-1(b) of the Regulations.

“Gross Proceeds” means any proceeds as defined in Section 1.148-1(b) of the Regulations, and any replacement proceeds as defined in Section 1.148-1(c) of the Regulations, of the Bonds.

“Investment” has the meaning set forth in Section 1.148-1(b) of the Regulations.

“Nonpurpose Investment” means any investment property, as defined in Section 148(b) of the Code, in which Gross Proceeds of the Bonds are invested and which is not acquired to carry out the governmental purposes of the Bonds.

“Rebate Amount” has the meaning set forth in Section 1.148-1(b) of the Regulations.

“Regulations” means any proposed, temporary, or final Income Tax Regulations issued pursuant to Sections 103 and 141 through 150 of the Code, and 103 of the Internal Revenue Code of 1954, which are applicable to the Bonds. Any reference to any specific Regulation shall also mean, as appropriate, any proposed, temporary or final Income Tax Regulation designed to supplement, amend or replace the specific Regulation referenced.

“Yield” of (i) any Investment has the meaning set forth in Section 1.148-5 of the Regulations; and (ii) the Bonds has the meaning set forth in Section 1.148-4 of the Regulations.

(b) Not to Cause Interest to Become Taxable. The Authority shall not use, permit the use of, or omit to use Gross Proceeds or any other amounts (or any property the acquisition, construction or improvement of which is to be financed directly or indirectly with Gross Proceeds) in a manner which if made or omitted, respectively, would cause the interest on any Bond to become includable in the gross income, as defined in Section 61 of the Code, of the owner thereof for federal income tax purposes. Without limiting the generality of the foregoing, unless and until the Authority receives a written opinion of counsel nationally recognized in the field of municipal bond law to the effect that failure to comply with such covenant will not adversely affect the exemption from federal income tax of the interest on any Bond, the Authority shall comply with each of the specific covenants in this Section.

(c) No Private Use or Private Payments. Except as permitted by Section 141 of the Code and the Regulations and rulings thereunder, the Authority shall at all times prior to the last Stated Maturity of Bonds:

(i) exclusively own, operate and possess all property the acquisition, construction or improvement of which is to be financed or refinanced directly or indirectly with Gross Proceeds of the Bonds, (including property financed with Gross Proceeds of the Refunded Bonds) and not use or permit the use of such Gross Proceeds (including all contractual arrangements with terms different than those applicable to the general public) or any property acquired, constructed or improved with such Gross Proceeds in any activity carried on by any person or entity (including the United States or any agency, department and instrumentality thereof) other than a state or local government, unless such use is solely as a member of the general public; and

(ii) not directly or indirectly impose or accept any charge or other payment by any person or entity who is treated as using Gross Proceeds of the Bonds or any property the acquisition, construction or improvement of which is to be financed or refinanced directly or indirectly with such Gross Proceeds (including property financed with Gross Proceeds of the Refunded Bonds), other than taxes of general application within the Authority or interest earned on investments acquired with such Gross Proceeds pending application for their intended purposes.

(d) No Private Loan. Except to the extent permitted by Section 141 of the Code and the Regulations and rulings thereunder, the Authority shall not use Gross Proceeds of the Bonds to make or finance loans to any person or entity other than a state or local government. For purposes of the foregoing covenant, such Gross Proceeds are considered to be "loaned" to a person or entity if: (1) property acquired, constructed or improved with such Gross Proceeds is sold or leased to such person or entity in a transaction which creates a debt for federal income tax purposes; (2) capacity in or service from such property is committed to such person or entity under a take-or-pay, output or similar contract or arrangement; or (3) indirect benefits, or burdens and benefits of ownership, of such Gross Proceeds or any property acquired, constructed or improved with such Gross Proceeds are otherwise transferred in a transaction which is the economic equivalent of a loan.

(e) Not to Invest at Higher Yield. Except to the extent permitted by Section 148 of the Code and the Regulations and rulings thereunder, the Authority shall not at any time prior to the final Stated Maturity of the Bonds directly or indirectly invest Gross Proceeds in any Investment (or use Gross Proceeds to replace money so invested), if as a result of such investment the Yield

from the Closing Date of all Investments acquired with Gross Proceeds (or with money replaced thereby), whether then held or previously disposed of, exceeds the Yield of the Bonds.

(f) Not Federally Guaranteed. Except to the extent permitted by Section 149(b) of the Code and the Regulations and rulings thereunder, the Authority shall not take or omit to take any action which would cause the Bonds to be federally guaranteed within the meaning of Section 149(b) of the Code and the Regulations and rulings thereunder.

(g) Information Report. The Authority shall timely file the information required by Section 149(e) of the Code with the Secretary of the Treasury on Form 8038-G or such other form and in such place as the Secretary may prescribe.

(h) Rebate of Arbitrage Profits. Except to the extent otherwise provided in Section 148(f) of the Code and the Regulations and rulings thereunder:

(i) The Authority shall account for all Gross Proceeds (including all receipts, expenditures and investments thereof) on its books of account separately and apart from all other funds (and receipts, expenditures and investments thereof) and shall retain all records of accounting for at least six years after the day on which the last outstanding Bond is discharged. However, to the extent permitted by law, the Authority may commingle Gross Proceeds of the Bonds with other money of the Authority, provided that the Authority separately accounts for each receipt and expenditure of Gross Proceeds and the obligations acquired therewith.

(ii) Not less frequently than each Computation Date, the Authority shall calculate the Rebate Amount in accordance with rules set forth in Section 148(f) of the Code and the Regulations and rulings thereunder. The Authority shall maintain such calculations with its official transcript of proceedings relating to the issuance of the Bonds until six years after the final Computation Date.

(iii) As additional consideration for the purchase of the Bonds by the Purchasers and the loan of the money represented thereby and in order to induce such purchase by measures designed to insure the excludability of the interest thereon from the gross income of the owners thereof for federal income tax purposes, the Authority shall pay to the United States out of the general fund, other appropriate fund, or if permitted by applicable Texas statute, regulation or opinion of the Attorney General of the State of Texas, the Bond Fund the amount that when added to the future value of previous rebate payments made for the Bonds equals (i) in the case of a Final Computation Date as defined in Section 1.148-3(e)(2) of the Regulations, one hundred percent (100%) of the Rebate Amount on such date; and (ii) in the case of any other Computation Date, ninety percent (90%) of the Rebate Amount on such date. In all cases, the rebate payments shall be made at the times, in the installments, to the place and in the manner as is or may be required by Section 148(f) of the Code and the Regulations and rulings thereunder, and shall be accompanied by Form 8038-T or such other forms and information as is or may be required by Section 148(f) of the Code and the Regulations and rulings thereunder.

(iv) The Authority shall exercise reasonable diligence to assure that no errors are made in the calculations and payments required by paragraphs (2) and (3), and if an error is made, to discover and promptly correct such error within a

reasonable amount of time thereafter (and in all events within one hundred eighty (180) days after discovery of the error), including payment to the United States of any additional Rebate Amount owed to it, interest thereon, and any penalty imposed under Section 1.148-3(h) of the Regulations.

(i) Not to Divert Arbitrage Profits. Except to the extent permitted by section 148 of the Code and the Regulations and rulings thereunder, the Authority shall not, at any time prior to the earlier of the Stated Maturity or final payment of the Bonds, enter into any transaction that reduces the amount required to be paid to the United States pursuant to Subsection (h) of this Section because such transaction results in a smaller profit or a larger loss than would have resulted if the transaction had been at arm's length and had the Yield of the Bonds not been relevant to either party.

(j) Elections. The Authority hereby directs and authorizes the President, Vice President, Secretary and/or Assistant Secretary of the Board, and the General Manager of the Authority, individually or jointly, to make elections permitted or required pursuant to the provisions of the Code or the Regulations, as they deem necessary or appropriate in connection with the Bonds, in the Certificate as to Tax Exemption or similar or other appropriate certificate, form or document.

(k) Bonds Not Hedge Bonds.

(i) At the time the original obligations refinanced (in part) by the Refunded Bonds were issued, the Authority reasonably expected to spend at least 85% of the spendable proceeds of such obligations within three (3) years after such obligations were issued.

(ii) Not more than 50% of the proceeds of the original obligations refinanced (in part) by the Refunded Bonds were invested in Nonpurpose Investments having a substantially guaranteed Yield for a period of four (4) years or more.

(l) Current Refunding. A portion of the Bonds are being issued exclusively to pay and discharge in full the Refunded Bonds, and such payment of the Refunded Bonds will occur within ninety (90) days after the issuance of the Bonds.

SECTION 32: Sale of Bonds – Official Statement. The Bonds authorized by this Resolution may be sold by the Authority to the purchaser(s) (herein referred to as the "Purchasers") by (i) negotiated sale, in accordance with a bond purchase agreement (the "Purchase Contract"), (ii) private placement, in accordance with an agreement to purchase or other agreement, or (iii) competitive bidding, in accordance with the successful bid submitted therefor, as determined by the Pricing Officer, in accordance with Section 3 hereof. The Pricing Officer is hereby authorized and directed to execute the Purchase Contract, agreement to purchase in the event of a private placement, or the successful bid form in the event of a competitive sale, as applicable, for and on behalf of the Authority and as the act and deed of this Board.

With regard to such terms and provisions of said Purchase Contract as a result of a negotiated sale, the Pricing Officer is hereby authorized to come to an agreement with the Purchasers on the following, among other matters:

1. The details of the purchase and sale of the Bonds;
2. The details of the public offering of the Bonds by the Purchasers;
3. The details of an Official Statement (and, if appropriate, any Preliminary Official Statement) relating to the Bonds and the Authority's Rule 15c2-12 compliance;
4. A security deposit for the Bonds;
5. The representations and warranties of the Authority to the Purchasers;
6. The details of the delivery of, and payment for, the Bonds;
7. The Purchasers' obligations under the Purchase Contract;
8. The certain conditions to the obligations of the Authority under the Purchase Contract;
9. Termination of the Purchase Contract;
10. Particular covenants of the Authority;
11. The survival of representations made in the Purchase Contract;
12. The payment of any expenses relating to the Purchase Contract;
13. Notices; and
14. Any and all such other details that are found by the Pricing Officer to be necessary and advisable for the purchase and sale of the Bonds.

The Pricing Officer is hereby authorized and directed to execute said Purchase Contract for and on behalf of the Authority and as the act and deed of this Board.

The President and Secretary of the Board are further authorized and directed to deliver for and on behalf of the Authority copies of a Preliminary Official Statement and Official Statement, prepared in connection with the offering of the Bonds by the Purchasers, in final form as may be required by the Purchasers, and such final Official Statement in the form and content as approved by the Pricing Officer shall be deemed to be approved by the Board and constitute the Official Statement authorized for distribution and use by the Purchasers.

SECTION 33: Refunded Bonds.

(a) In order to provide for the refunding, discharge, and retirement of the Refunded Bonds, the Refunded Bonds, identified, described, and in the amounts set forth in the Pricing Certificate, are called for redemption on the first dates such Refunded Bonds are subject to redemption or such other date specified by the Pricing Officer in the Pricing Certificate at the price of par plus accrued interest to the redemption date, and notices of such redemption shall be given in accordance with the applicable provisions of the resolution(s) adopted by the Board that authorized the issuance of the Refunded Bonds. The Pricing Officer is hereby authorized and directed to issue or cause to be issued Notices of Redemption for the Refunded Bonds in substantially the form(s) set forth as an exhibit to the Pricing Certificate, to the paying agent/registrars for Refunded Bonds, in accordance with the redemption provisions applicable to the Refunded Bonds.

(b) The paying agent/registrars(s) for the Refunded Bonds is hereby directed to provide the appropriate notice(s) of redemption as required by the resolution(s) authorizing the Refunded Bonds and is hereby directed to make appropriate arrangements so that the Refunded Bonds may be redeemed on the respective redemption dates, including making a lot selection with respect to the redemption of any partial maturities of the Refunded Bonds.

(c) The source of funds for payment of the principal of and interest on the Refunded Bonds on their respective maturity or redemption dates shall be from the funds deposited with the paying agent/registrars(s) for the Refunded Bonds, or the Escrow Agent pursuant to the Escrow

Agreement, in accordance the provisions of Texas Government Code, Chapter 1207, as amended, this Resolution and the Pricing Certificate.

SECTION 34: Escrow Agreement. An "Escrow Agreement" (the "Escrow Agreement") by and between the Authority and an authorized escrow agent (the "Escrow Agent"), if any such agreement is required in connection with the issuance of the Bonds, shall be attached to the Pricing Certificate. Such Escrow Agreement is hereby authorized to be finalized and executed by the Pricing Officer for and on behalf of the Authority and as the act and deed of this Board; and such Escrow Agreement as executed by said Pricing Officer shall be deemed approved by the Board and constitute the Escrow Agreement herein approved. With regard to the finalization of certain terms and provisions of any Escrow Agreement, a Pricing Officer is hereby authorized to come to an agreement with the Escrow Agent on the following details, among other matters:

1. The identification of the Refunded Bonds;
2. The creation and funding of the Escrow Fund; and
3. The Escrow Agent's compensation, administration of the Escrow Fund, and the settlement of any paying agents' charges relating to the Refunded Bonds.

Furthermore, appropriate officials of the Authority in cooperation with the Escrow Agent are hereby authorized and directed to make the necessary arrangements for the purchase of the escrowed securities referenced in the Escrow Agreement (the "Escrowed Securities"), if any, and the delivery thereof to the Escrow Agent on the day of delivery of the Bonds to the Purchasers for deposit to the credit of the "GREATER TEXOMA UTILITY AUTHORITY SERIES 2021 (SHERMAN) REFUNDING BOND ESCROW FUND" (referred to herein as the "Escrow Fund"), or such other designation as specified in the Pricing Certificate; all as contemplated and provided in Texas Government Code, Chapter 1207, as amended, this Resolution, the Pricing Certificate, and the Escrow Agreement. At the written direction of the Authority, the Escrow Agent shall reinvest cash balances representing receipts from the Escrowed Securities, make substitutions of the Escrowed Securities or redeem the Escrowed Securities and reinvest the proceeds thereof in substituted Escrowed Securities and enter into any associated contract with a provider of Escrowed Securities as long as any such substituted Escrowed Securities mature on the dates and in the amounts specified in the verification report as sufficient to pay the principal of and redemption premium, if any, and interest on the Refunded Bonds when due. All Escrowed Securities delivered under such an arrangement shall be delivered to the Escrow Agent on a "delivery versus payment" basis. To the extent the Pricing Officer determines such an arrangement is in the Authority's best interest, the Pricing Officer is authorized to provide such written direction of the Authority to the Escrow Agent and sign any associated contract, agreement, certificate or instruction letter with respect to such arrangement from time to time.

To the extent an Escrow Agreement is not required in connection with the issuance of the Bonds, the Pricing Officer is authorized to enter into a deposit letter agreement or such other comparable document which evidences the receipt of refunding bond proceeds with the paying agent for the Refunded Bonds. The deposit letter agreement or such other comparable document as executed by the Pricing Officer shall be deemed approved by the Board and constitute the agreement herein approved.

SECTION 35: Proceeds of Sale. Immediately following the delivery of the Bonds, the proceeds of sale (less those proceeds of sale designated to pay costs of issuance, amounts to pay municipal bond insurance premium, if any, any accrued interest received from the Purchasers

of the Bonds, premium in the amount, if any, specified in the Pricing Certificate) shall be deposited with the Escrow Agent for application and disbursement in accordance with the provisions of the Escrow Agreement, or as provided in the Pricing Certificate. The proceeds of sale of the Bonds not so deposited with the Escrow Agent (or the paying agent/registrar(s) for the Refunded Bonds) for the refunding of the Refunded Bonds shall be disbursed for payment of costs of issuance, disbursed for the payment of municipal bond insurance premium, if any, or deposited in the Bond Fund for the Bonds, all in accordance with written instructions from the Authority or its Financial Advisor. Accrued interest and premium in the amount, if any, specified in the Pricing Certificate received from the sale of the Bonds shall be deposited to the credit of the Bond Fund. Such proceeds of sale may be invested in authorized investments and any investment earnings realized may be (with respect to the accrued interest received from the Purchasers) deposited in the Bond Fund as shall be determined by the Board.

Additionally, the Pricing Officer shall determine the amount, if any, of any Authority contribution to the refunding from moneys on deposit in the Bond Fund and/or Reserve Fund for the payment of the Refunded Bonds.

SECTION 36: Control and Custody of Bonds. The President of the Board shall be and is hereby authorized to take and have charge of all necessary orders and records pending investigation by the Attorney General of the State of Texas, including the printing and supply of definitive Bonds, and shall take and have charge and control of the Initial Bonds pending approval by the Attorney General, the registration thereof by the Comptroller of Public Accounts, and the delivery thereof to the Purchaser.

SECTION 37: Legal Opinion. The Purchasers' obligation to accept delivery of the Bonds is subject to its being furnished a final opinion of Norton Rose Fulbright US LLP ("Bond Counsel") approving such Bonds as to their validity, said opinion to be dated and delivered as of the date of delivery and payment for the Bonds by the Purchasers. A true and correct reproduction of said opinion is hereby authorized to be printed on the definitive Bonds or an executed counterpart thereof shall accompany the global Bonds deposited with the Depository Trust Company. The engagement of such firm as bond counsel to the Authority is hereby approved, ratified and confirmed.

SECTION 38: CUSIP Numbers. CUSIP numbers may be printed or typed on the Bonds. It is expressly provided, however, that the presence or absence of CUSIP numbers on the Bonds shall be of no significance or effect as regards the legality thereof and neither the Authority nor attorneys approving said Bonds as to legality are to be held responsible for CUSIP numbers incorrectly printed or typed on the Bonds.

SECTION 39: Effect of Headings. The Section headings herein are for convenience only and shall not affect the construction hereof.

SECTION 40: Further Procedures. Any one or more of the President, Vice President, Secretary, and/or Assistant Secretary of the Board, and the General Manager of the Authority, are hereby expressly authorized, empowered and directed from time to time and at any time to do and perform all such acts and things and to execute, acknowledge and deliver in the name and on behalf of the Authority all agreements, instruments, certificates or other documents, whether mentioned herein or not, as may be necessary or desirable in order to carry out the terms and provisions of this Resolution and the issuance of the Bonds. In addition, prior to the initial delivery of the Bonds, the President, Vice President, Secretary, and/or Assistant Secretary of the Board of the Authority, and the General Manager of the Authority, and Bond Counsel are each

hereby authorized and directed to approve any technical changes or corrections to this Resolution or to any of the documents authorized and approved by this Resolution: (i) in order to cure any technical ambiguity, formal defect, or omission in the Resolution or such other document; or (ii) as requested by the Attorney General of the State of Texas or his representative to obtain the approval of the Bonds by the Attorney General and if such officer or counsel determines that such ministerial changes are consistent with the intent and purpose of the Resolution, which determination shall be final. In the event that any officer of the Authority whose signature shall appear on any document shall cease to be such officer before the delivery of such document, such signature nevertheless shall be valid and sufficient for all purposes the same as if such officer had remained in office until such delivery.

SECTION 41: Continuing Disclosure Undertaking.

(a) Definitions. As used in this Section, the following terms have the meanings ascribed to such terms below:

“Financial Obligation” means a (a) debt obligation; (b) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (c) guarantee of a debt obligation or any such derivative instrument; provided that “financial obligation” shall not include municipal securities as to which a final official statement (as defined in the Rule) has been provided to the MSRB consistent with the Rule.

“MSRB” means the Municipal Securities Rulemaking Board.

“Rule” means SEC Rule 15c2-12, as amended from time to time or officially interpreted by the SEC.

“SEC” means the United States Securities and Exchange Commission.

(b) Annual Reports. The Authority shall provide annually to the MSRB (1) within six months after the end of each fiscal year ending in the year stated in the Pricing Certificate, financial information and operating data with respect to the Authority and the City of the general type included in the final Official Statement approved by the Pricing Officer and described in the Pricing Certificate, and (2) if not provided as part such financial information and operating data, audited financial statements of the Authority and the City, when and if available. Any financial statements so to be provided shall be prepared in accordance with the accounting principles described in the Pricing Certificate, or such other accounting principles as the Authority and the City, respectively, may be required to employ from time to time pursuant to state law or regulation, and audited, if the Authority commissions an audit of such statements and the audit is completed within the period during which they must be provided. If the audit of such financial statements is not complete within twelve (12) months after any such fiscal year end, then the Authority shall file unaudited financial statements within such twelve-month period and audited financial statements when and if such audited financial statements become available.

If the Authority changes its fiscal year, it will notify the MSRB of the change (and of the date of the new fiscal year end) prior to the next date by which the Authority otherwise would be required to provide financial information and operating data pursuant to this Section.

The financial information and operating data to be provided pursuant to this Section may be set forth in full in one or more documents or may be included by specific reference to any document available to the public on the MSRB's Internet Web site or filed with the SEC.

(c) Material Event Notices. The Authority shall provide notice of any of the following events with respect to the Bonds to the MSRB in a timely manner and not more than 10 business days after occurrence of the event:

- (1) Principal and interest payment delinquencies;
- (2) Non-payment related defaults, if material;
- (3) Unscheduled draws on debt service reserves reflecting financial difficulties;
- (4) Unscheduled draws on credit enhancements reflecting financial difficulties;
- (5) Substitution of credit or liquidity providers, or their failure to perform;
- (6) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB), or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;
- (7) Modifications to rights of holders of the Bonds, if material;
- (8) Bond calls, if material, and tender offers;
- (9) Defeasances;
- (10) Release, substitution, or sale of property securing repayment of the Bonds, if material;
- (11) Rating changes;
- (12) Bankruptcy, insolvency, receivership, or similar event of the Authority, which shall occur as described below;
- (13) The consummation of a merger, consolidation, or acquisition involving the Authority or the sale of all or substantially all of its assets, other than in the ordinary course of business, the entry into of a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material
- (14) Appointment of a successor or additional trustee or the change of name of a trustee, if material;
- (15) Incurrence of a Financial Obligation of the District, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the Authority, any of which affect security holders, if material; and

(16) Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the Authority, any of which reflect financial difficulties.

For these purposes, (a) any event described in the immediately preceding paragraph (c)(12) is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent, or similar officer for the Authority in a proceeding under the United States Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Authority, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement, or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Authority and (b) the Authority intends the words used in the immediately preceding paragraphs (c)(15) and (c)(16) and the definition of Financial Obligation in this Section to have the meanings ascribed to them in SEC Release No. 34-83885, dated August 20, 2018.

The Authority shall notify the MSRB, in a timely manner, of any failure by the Authority to provide financial information or operating data in accordance with subsection (b) of this Section by the time required by this Section.

(d) Filings with the MSRB. All financial information, operating data, financial statements, notices, and other documents provided to the MSRB in accordance with this Section shall be provided in an electronic format prescribed by the MSRB and shall be accompanied by identifying information as prescribed by the MSRB.

(e) Limitations, Disclaimers, and Amendments. The Authority shall be obligated to observe and perform the covenants specified in this Section with respect to the Authority and the Bonds while, but only while, the Authority remains an “obligated person” with respect to the Bonds within the meaning of the Rule, except that the Authority in any event will give notice required by subsection (c) hereof of any Bond calls and defeasance that cause the Authority to be no longer such an “obligated person”.

The provisions of this Section are for the sole benefit of the Holders and beneficial owners of the Bonds, and nothing in this Section, express or implied, shall give any benefit or any legal or equitable right, remedy, or claim hereunder to any other person. The Authority undertakes to provide only the financial information, operating data, financial statements, and notices which it has expressly agreed to provide pursuant to this Section and does not hereby undertake to provide any other information that may be relevant or material to a complete presentation of the financial results, condition, or prospects of the Authority or the State of Texas or hereby undertake to update any information provided in accordance with this Section or otherwise, except as expressly provided herein. The Authority does not make any representation or warranty concerning such information or its usefulness to a decision to invest in or sell Bonds at any future date.

UNDER NO CIRCUMSTANCES SHALL THE AUTHORITY BE LIABLE TO THE HOLDER OR BENEFICIAL OWNER OF ANY BOND OR ANY OTHER PERSON, IN CONTRACT OR TORT, FOR DAMAGES RESULTING IN WHOLE OR IN PART FROM ANY BREACH BY THE AUTHORITY, WHETHER NEGLIGENT OR WITHOUT FAULT ON ITS PART, OF ANY COVENANT SPECIFIED IN THIS SECTION, BUT EVERY RIGHT AND REMEDY OF ANY SUCH

PERSON, IN CONTRACT OR TORT, FOR OR ON ACCOUNT OF ANY SUCH BREACH SHALL BE LIMITED TO AN ACTION FOR *MANDAMUS* OR SPECIFIC PERFORMANCE.

No default by the Authority in observing or performing its obligations under this Section shall constitute a breach of or default under this Resolution for purposes of any other provision of this Resolution.

Nothing in this Section is intended or shall act to disclaim, waive, or otherwise limit the duties of the Authority under federal and state securities laws.

Notwithstanding anything herein to the contrary, the provisions of this Section may be amended by the Authority from time to time to adapt to changed circumstances resulting from a change in legal requirements, a change in law, or a change in the identity, nature, status, or type of operations of the Authority, but only if (1) the provisions of this Section, as so amended, would have permitted an underwriter to purchase or sell Bonds in the primary offering of the Bonds in compliance with the Rule, taking into account any amendments or interpretations of the Rule to the date of such amendment, as well as such changed circumstances, and (2) either (a) the Holders of a majority in aggregate principal amount (or any greater amount required by any other provision of this Resolution that authorizes such an amendment) of the Outstanding Bonds consent to such amendment or (b) a Person that is unaffiliated with the Authority (such as nationally recognized bond counsel) determines that such amendment will not materially impair the interests of the Holders and beneficial owners of the Bonds. The provisions of this Section may also be amended from time to time or repealed by the Authority if the SEC amends or repeals the applicable provisions of the Rule or a court of final jurisdiction determines that such provisions are invalid, but only if and to the extent that reservation of the Authority's right to do so would not prevent underwriters of the initial public offering of the Bonds from lawfully purchasing or selling Bonds in such offering. If the Authority so amends the provisions of this Section, it shall include with any amended financial information or operating data next provided in accordance with subsection (b) an explanation, in narrative form, of the reasons for the amendment and of the impact of any change in the type of financial information or operating data so provided.

SECTION 42: Benefits of Resolution. Nothing in this Resolution, expressed or implied, is intended or shall be construed to confer upon any person other than the Authority, the Paying Agent/Registrar and the Holders, any right, remedy, or claim, legal or equitable, under or by reason of this Resolution or any provision hereof, this Resolution and all its provisions being intended to be and being for the sole and exclusive benefit of the Authority, the Paying Agent/Registrar, and the Holders.

SECTION 43: Inconsistent Provisions. All orders or resolutions, or parts thereof, which are in conflict or inconsistent with any provision of this Resolution are hereby repealed to the extent of such conflict, and the provisions of this Resolution shall be and remain controlling as to the matters contained herein.

SECTION 44: Governing Law. This Resolution shall be construed and enforced in accordance with the laws of the State of Texas and the United States of America.

SECTION 45: Incorporation of Findings and Determinations. The findings and determinations of the Board of the Authority contained in the preambles hereof are hereby incorporated by reference and made a part of this Resolution for all purposes as if the same were restated in full in this Section.

SECTION 46: Severability. If any provision of this Resolution or the application thereof to any circumstance shall be held to be invalid, the remainder of this Resolution and the application thereof to other circumstances shall nevertheless be valid, and this governing body hereby declares that this Resolution would have been enacted without such invalid provision.

SECTION 47: Municipal Bond Insurance. The Bonds may be sold with the principal of and interest thereon being insured by a municipal bond insurance provider authorized to transact business in the State of Texas. The Pricing Officer is hereby authorized to make the selection of municipal bond insurance (if any) for the Bonds and make the determination of the provisions of any commitment therefor.

SECTION 48: Public Meeting. It is officially found, determined, and declared that the meeting at which this Resolution is adopted was open to the public and public notice of the time, place, and subject matter of the public business to be considered at such meeting, including this Resolution, was given, all as required by Texas Government Code, Chapter 551, as amended.

SECTION 49: Effective Date. This Resolution shall be in force and effect from and after its passage on the date shown below.

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PASSED AND ADOPTED, this May 17, 2021.

GREATER TEXOMA UTILITY AUTHORITY



President, Board of Directors

ATTEST:



Secretary, Board of Directors

(Seal)



EXHIBIT A

Form of Paying Agent/Registrar Agreement

PAYING AGENT/REGISTRAR AGREEMENT

THIS AGREEMENT is entered into as of _____, 2021 (this "Agreement"), by and between _____, a banking association duly organized and existing under the laws of the United States of America, or its successors (the "Bank") and the Greater Texoma Utility Authority (the "Issuer"),

RECITALS

WHEREAS, the Issuer has duly authorized and provided for the issuance of its "Greater Texoma Utility Authority Contract Revenue Refunding Bonds, Series 2021 (City of Sherman Project)" (the "Securities"), dated _____, 2021, such Securities scheduled to be delivered to the initial purchasers thereof on or about _____, 2021; and

WHEREAS, the Issuer has selected the Bank to serve as Paying Agent/Registrar in connection with the payment of the principal of, premium, if any, and interest on said Securities and with respect to the registration, transfer and exchange thereof by the registered owners thereof; and

WHEREAS, the Bank has agreed to serve in such capacities for and on behalf of the Issuer and has full power and authority to perform and serve as Paying Agent/Registrar for the Securities;

NOW, THEREFORE, it is mutually agreed as follows:

ARTICLE ONE APPOINTMENT OF BANK AS PAYING AGENT AND REGISTRAR

Section 1.01 Appointment. The Issuer hereby appoints the Bank to serve as Paying Agent with respect to the Securities, and, as Paying Agent for the Securities, the Bank shall be responsible for paying on behalf of the Issuer the principal, premium (if any), and interest on the Securities as the same become due and payable to the registered owners thereof; all in accordance with this Agreement and the "Authorizing Document" (hereinafter defined). The Issuer hereby appoints the Bank as Registrar with respect to the Securities and, as Registrar for the Securities, the Bank shall keep and maintain for and on behalf of the Issuer books and records as to the ownership of said Securities and with respect to the transfer and exchange thereof as provided herein and in the Authorizing Document.

The Bank hereby accepts its appointment, and agrees to serve as the Paying Agent and Registrar for the Securities.

Section 1.02 Compensation. As compensation for the Bank's services as Paying Agent/Registrar, the Issuer hereby agrees to pay the Bank the fees and amounts set forth in **Annex A** attached hereto; provided however, notwithstanding anything herein or in Annex A to the contrary, the aggregate value of this agreement shall be less than the dollar limitation set forth in Section 2271.002(a)(2) of the Texas Government Code, as amended.

In addition, the Issuer agrees to reimburse the Bank upon its request for all reasonable expenses, disbursements and advances incurred or made by the Bank in accordance with any of the provisions hereof (including the reasonable compensation and the expenses and disbursements of its agents and counsel).

ARTICLE TWO DEFINITIONS

Section 2.01 Definitions. For all purposes of this Agreement, except as otherwise expressly provided or unless the context otherwise requires:

“Acceleration Date” on any Security means the date, if any, on and after which the principal or any or all installments of interest, or both, are due and payable on any Security which has become accelerated pursuant to the terms of the Security.

“Authorizing Document” means the resolution, order, or ordinance of the governing body of the Issuer pursuant to which the Securities are issued, as the same may be amended or modified, including any pricing certificate related thereto, certified by the secretary or any other officer of the Issuer and delivered to the Bank.

“Bank Office” means the designated office of the Bank at the address shown in Section 3.01 hereof. The Bank will notify the Issuer in writing of any change in location of the Bank Office.

“Holder” and “Security Holder” each means the Person in whose name a Security is registered in the Security Register.

“Person” means any individual, corporation, partnership, joint venture, association, joint stock company, trust, unincorporated organization or government or any agency or political subdivision of a government.

“Predecessor Securities” of any particular Security means every previous Security evidencing all or a portion of the same obligation as that evidenced by such particular Security (and, for the purposes of this definition, any mutilated, lost, destroyed, or stolen Security for which a replacement Security has been registered and delivered in lieu thereof pursuant to Section 4.06 hereof and the Authorizing Document).

“Redemption Date”, when used with respect to any Security to be redeemed, means the date fixed for such redemption pursuant to the terms of the Authorizing Document.

“Responsible Officer”, when used with respect to the Bank, means the Chairman or Vice-Chairman of the Board of Directors, the Chairman or Vice-Chairman of the Executive Committee of the Board of Directors, the President, any Vice President, the Secretary, any Assistant Secretary, the Treasurer, any Assistant Treasurer, the Cashier, any Assistant Cashier, any Trust Officer or Assistant Trust Officer, or any other officer of the Bank customarily performing functions similar to those performed by any of the above designated officers and also means, with respect to a particular corporate trust matter, any other officer to whom such matter is referred because of his knowledge of and familiarity with the particular subject.

“Security Register” means a register maintained by the Bank on behalf of the Issuer providing for the registration and transfers of Securities.

“Stated Maturity” means the date specified in the Authorizing Document the principal of a Security is scheduled to be due and payable.

Section 2.02 Other Definitions. The terms “Bank,” “Issuer,” and “Securities (Security)” have the meanings assigned to them in the recital paragraphs of this Agreement.

The term “Paying Agent/Registrar” refers to the Bank in the performance of the duties and functions of this Agreement.

ARTICLE THREE PAYING AGENT

Section 3.01 Duties of Paying Agent. As Paying Agent, the Bank shall pay, provided adequate collected funds have been provided to it for such purpose by or on behalf of the Issuer, on behalf of the Issuer the principal of each Security at its Stated Maturity, Redemption Date or Acceleration Date, to the Holder upon surrender of the Security to the Bank at the following address:

As Paying Agent, the Bank shall, provided adequate collected funds have been provided to it for such purpose by or on behalf of the Issuer, pay on behalf of the Issuer the interest on each Security when due, by computing the amount of interest to be paid each Holder and making payment thereof to the Holders of the Securities (or their Predecessor Securities) on the Record Date (as defined in the Authorizing Document). All payments of principal and/or interest on the Securities to the registered owners shall be accomplished (1) by the issuance of checks, payable to the registered owners, drawn on the paying agent account provided in Section 5.05 hereof, sent by United States mail, first class postage prepaid, to the address appearing on the Security Register or (2) by such other method, acceptable to the Bank, requested in writing by the Holder at the Holder’s risk and expense.

Section 3.02 Payment Dates. The Issuer hereby instructs the Bank to pay the principal of and interest on the Securities on the dates specified in the Authorizing Document.

ARTICLE FOUR REGISTRAR

Section 4.01 Security Register - Transfers and Exchanges. The Bank agrees to keep and maintain for and on behalf of the Issuer at the Bank Office books and records (herein sometimes referred to as the “Security Register”) for recording the names and addresses of the Holders of the Securities, the transfer, exchange and replacement of the Securities and the payment of the principal of and interest on the Securities to the Holders and containing such other information as may be reasonably required by the Issuer and subject to such reasonable regulations as the Issuer and the Bank may prescribe. All transfers, exchanges and replacements of Securities shall be noted in the Security Register.

Every Security surrendered for transfer or exchange shall be duly endorsed or be accompanied by a written instrument of transfer, the signature on which has been guaranteed by an officer of a federal or state bank or a member of the Financial Industry Regulatory Authority, such written instrument to be in a form satisfactory to the Bank and duly executed by the Holder thereof or his agent duly authorized in writing.

The Bank may request any supporting documentation it feels necessary to effect a re-registration, transfer or exchange of the Securities.

To the extent possible and under reasonable circumstances, the Bank agrees that, in relation to an exchange or transfer of Securities, the exchange or transfer by the Holders thereof will be completed and new Securities delivered to the Holder or the assignee of the Holder in not more than three (3) business days after the receipt of the Securities to be cancelled in an exchange or transfer and the written instrument of transfer or request for exchange duly executed by the Holder, or his duly authorized agent, in form and manner satisfactory to the Paying Agent/Registrar.

Section 4.02 Securities. The Issuer shall provide additional Securities when needed to facilitate transfers or exchanges thereof. The Bank covenants that such additional Securities, if and when provided, will be kept in safekeeping pending their use and reasonable care will be exercised by the Bank in maintaining such Securities in safekeeping, which shall be not less than the care maintained by the Bank for debt securities of other governments or corporations for which it serves as registrar, or that is maintained for its own securities.

Section 4.03 Form of Security Register. The Bank, as Registrar, will maintain the Security Register relating to the registration, payment, transfer and exchange of the Securities in accordance with the Bank's general practices and procedures in effect from time to time. The Bank shall not be obligated to maintain such Security Register in any form other than those which the Bank has currently available and currently utilizes at the time.

The Security Register may be maintained in written form or in any other form capable of being converted into written form within a reasonable time.

Section 4.04 List of Security Holders. The Bank will provide the Issuer at any time requested by the Issuer, upon payment of the required fee, a copy of the information contained in the Security Register. The Issuer may also inspect the information contained in the Security Register at any time the Bank is customarily open for business, provided that reasonable time is allowed the Bank to provide an up-to-date listing or to convert the information into written form.

The Bank will not release or disclose the contents of the Security Register to any person other than to, or at the written request of, an authorized officer or employee of the Issuer, except upon receipt of a court order or as otherwise required by law. Upon receipt of a court order and prior to the release or disclosure of the contents of the Security Register, the Bank will notify the Issuer so that the Issuer may contest the court order or such release or disclosure of the contents of the Security Register.

Section 4.05 Return of Cancelled Securities. The Bank will, at such reasonable intervals as it determines, surrender to the Issuer, all Securities in lieu of which or in exchange for which other Securities have been issued, or which have been paid.

Section 4.06 Mutilated, Destroyed, Lost or Stolen Securities. The Issuer hereby instructs the Bank, subject to the provisions of the Authorizing Document, to deliver and issue Securities in exchange for or in lieu of mutilated, destroyed, lost, or stolen Securities as long as the same does not result in an overissuance.

In case any Security shall be mutilated, destroyed, lost or stolen, the Bank may execute and deliver a replacement Security of like form and tenor, and in the same denomination and bearing a number not contemporaneously outstanding, in exchange and substitution for such mutilated Security, or in lieu of and in substitution for such mutilated, destroyed, lost or stolen Security, only upon the approval of the Issuer and after (i) the filing by the Holder thereof with the Bank of evidence satisfactory to the Bank of the destruction, loss or theft of such Security, and of the authenticity of the ownership thereof and (ii) the furnishing to the Bank of indemnification in an amount satisfactory to hold the Issuer and the Bank harmless. All expenses and charges associated with such indemnity and with the preparation, execution and delivery of a replacement Security shall be borne by the Holder of the Security mutilated, destroyed, lost or stolen.

Section 4.07 Transaction Information to Issuer. The Bank will, within a reasonable time after receipt of written request from the Issuer, furnish the Issuer information as to the Securities it has paid pursuant to Section 3.01, Securities it has delivered upon the transfer or exchange of any Securities pursuant to Section 4.01, and Securities it has delivered in exchange for or in lieu of mutilated, destroyed, lost, or stolen Securities pursuant to Section 4.06.

ARTICLE FIVE THE BANK

Section 5.01 Duties of Bank. The Bank undertakes to perform the duties set forth herein and agrees to use reasonable care in the performance thereof.

Section 5.02 Reliance on Documents, Etc.

(a) The Bank may conclusively rely, as to the truth of the statements and correctness of the opinions expressed therein, on certificates or opinions furnished to the Bank.

(b) The Bank shall not be liable for any error of judgment made in good faith by a Responsible Officer, unless it shall be proved that the Bank was negligent in ascertaining the pertinent facts.

(c) No provisions of this Agreement shall require the Bank to expend or risk its own funds or otherwise incur any financial liability for performance of any of its duties hereunder, or in the exercise of any of its rights or powers, if it shall have reasonable grounds for believing that repayment of such funds or adequate indemnity satisfactory to it against such risks or liability is not assured to it.

(d) The Bank may rely and shall be protected in acting or refraining from acting upon any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, bond, note, security or other paper or document believed by it to be genuine and to have been signed or presented by the proper party or parties. Without limiting the generality of the foregoing statement, the Bank need not examine the ownership of any Securities, but is protected in acting upon receipt of Securities containing an endorsement or instruction of transfer or power of transfer which appears on its face to be signed by the Holder or an agent of the Holder. The Bank shall not be bound to make any investigation into the facts or matters stated in

a resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, bond, note, security or other paper or document supplied by the Issuer.

(e) The Bank may consult with counsel, and the written advice of such counsel or any opinion of counsel shall be full and complete authorization and protection with respect to any action taken, suffered, or omitted by it hereunder in good faith and in reliance thereon.

(f) The Bank may exercise any of the powers hereunder and perform any duties hereunder either directly or by or through agents or attorneys of the Bank.

(g) The Bank is also authorized to transfer funds relating to the closing and initial delivery of the Securities in the manner disclosed in the closing memorandum or letter as prepared by the Issuer, Issuer's financial advisor or other agent. The Bank may act on a facsimile or e-mail transmission of the closing memorandum or letter acknowledged by the Issuer, the Issuer's financial advisor or other agent as the final closing memorandum or letter. The Bank shall not be liable for any losses, costs or expenses arising directly or indirectly from the Bank's reliance upon and compliance with such instructions.

Section 5.03 Recitals of Issuer. The recitals contained herein with respect to the Issuer and in the Securities shall be taken as the statements of the Issuer, and the Bank assumes no responsibility for their correctness.

The Bank shall in no event be liable to the Issuer, any Holder or Holders of any Security, or any other Person for any amount due on any Security from its own funds.

Section 5.04 May Hold Securities. The Bank, in its individual or any other capacity, may become the owner or pledgee of Securities and may otherwise deal with the Issuer with the same rights it would have if it were not the Paying Agent/Registrar, or any other agent.

Section 5.05 Moneys Held by Bank - Paying Agent Account/Collateralization. A paying agent account shall at all times be kept and maintained by the Bank for the receipt, safekeeping, and disbursement of moneys received from the Issuer under this Agreement for the payment of the Securities, and money deposited to the credit of such account until paid to the Holders of the Securities shall be continuously collateralized by securities or obligations which qualify and are eligible under both the laws of the State of Texas and the laws of the United States of America to secure and be pledged as collateral for paying agent accounts to the extent such money is not insured by the Federal Deposit Insurance Corporation. Payments made from such paying agent account shall be made by check drawn on such account unless the owner of the Securities shall, at its own expense and risk, request an alternative method of payment.

Subject to the applicable unclaimed property laws of the State of Texas, any money deposited with the Bank for the payment of the principal of, premium (if any), or interest on any Security and remaining unclaimed for three years after final maturity of the Security has become due and payable will be held by the Bank and disposed of only in accordance with Title 6 of the Texas Property Code, as amended. The Bank shall have no liability by virtue of actions taken in compliance with this provision.

The Bank is not obligated to pay interest on any money received by it under this Agreement.

This Agreement relates solely to money deposited for the purposes described herein, and the parties agree that the Bank may serve as depository for other funds of the Issuer, act as trustee under indentures authorizing other bond transactions of the Issuer, or act in any other capacity not in conflict with its duties hereunder.

Section 5.06 Indemnification. To the extent permitted by law, the Issuer agrees to indemnify the Bank for, and hold it harmless against, any loss, liability, or expense incurred without negligence or bad faith on its part, arising out of or in connection with its acceptance or administration of its duties hereunder, including the cost and expense against any claim or liability in connection with the exercise or performance of any of its powers or duties under this Agreement.

Section 5.07 Interpleader. The Issuer and the Bank agree that the Bank may seek adjudication of any adverse claim, demand, or controversy over its person as well as funds on deposit, in either a Federal or State District Court located in the state and county where the administrative office of the Issuer is located, and agree that service of process by certified or registered mail, return receipt requested, to the address referred to in Section 6.03 of this Agreement shall constitute adequate service. The Issuer and the Bank further agree that the Bank has the right to file a Bill of Interpleader in any court of competent jurisdiction in the State of Texas to determine the rights of any Person claiming any interest herein.

Section 5.08 DTC Services. It is hereby represented and warranted that, in the event the Securities are otherwise qualified and accepted for “Depository Trust Company” services or equivalent depository trust services by other organizations, the Bank has the capability and, to the extent within its control, will comply with the “Operational Arrangements”, which establishes requirements for securities to be eligible for such type depository trust services, including, but not limited to, requirements for the timeliness of payments and funds availability, transfer turnaround time, and notification of redemptions and calls.

ARTICLE SIX MISCELLANEOUS PROVISIONS

Section 6.01 Amendment. This Agreement may be amended only by an agreement in writing signed by both of the parties hereto.

Section 6.02 Assignment. This Agreement may not be assigned by either party without the prior written consent of the other.

Section 6.03 Notices. Any request, demand, authorization, direction, notice, consent, waiver, or other document provided or permitted hereby to be given or furnished to the Issuer or the Bank shall be mailed or delivered to the Issuer or the Bank, respectively, at the addresses shown on the signature page(s) hereof.

Section 6.04 Effect of Headings. The Article and Section headings herein are for convenience of reference only and shall not affect the construction hereof.

Section 6.05 Successors and Assigns. All covenants and agreements herein by the Issuer shall bind its successors and assigns, whether so expressed or not.

Section 6.06 Severability. In case any provision herein shall be invalid, illegal, or unenforceable, the validity, legality, and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

Section 6.07 Merger, Conversion, Consolidation, or Succession. Any corporation or association into which the Bank may be merged or converted or with which it may be consolidated, or any corporation or association resulting from any merger, conversion, or consolidation to which the Bank shall be a party, or any corporation or association succeeding to all or substantially all of the corporate trust business of the Bank shall be the successor of the Bank as Paying Agent under this Agreement without the execution or filing of any paper or any further act on the part of either parties hereto.

Section 6.08 Benefits of Agreement. Nothing herein, express or implied, shall give to any Person, other than the parties hereto and their successors hereunder, any benefit or any legal or equitable right, remedy, or claim hereunder.

Section 6.09 Entire Agreement. This Agreement and the Authorizing Document constitute the entire agreement between the parties hereto relative to the Bank acting as Paying Agent/Registrar and if any conflict exists between this Agreement and the Authorizing Document, the Authorizing Document shall govern.

Section 6.10 Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original and all of which shall constitute one and the same Agreement.

Section 6.11 Termination. This Agreement will terminate (i) on the date of final payment of the principal of and interest on the Securities to the Holders thereof or (ii) may be earlier terminated by either party upon sixty (60) days written notice; provided, however, an early termination of this Agreement by either party shall not be effective until (a) a successor Paying Agent/Registrar has been appointed by the Issuer and such appointment accepted and (b) notice has been given to the Holders of the Securities of the appointment of a successor Paying Agent/Registrar. However, if the Issuer fails to appoint a successor Paying Agent/Registrar within a reasonable time, the Bank may petition a court of competent jurisdiction within the State of Texas to appoint a successor. Furthermore, the Bank and the Issuer mutually agree that the effective date of an early termination of this Agreement shall not occur at any time which would disrupt, delay or otherwise adversely affect the payment of the Securities.

Upon an early termination of this Agreement, the Bank agrees to promptly transfer and deliver the Security Register (or a copy thereof), together with the other pertinent books and records relating to the Securities, to the successor Paying Agent/Registrar designated and appointed by the Issuer.

The provisions of Section 1.02 and of Article Five shall survive and remain in full force and effect following the termination of this Agreement.

Section 6.12 Iran, Sudan or Foreign Terrorist Organizations. The Bank represents that neither it nor any of its parent company, wholly- or majority-owned subsidiaries, and other affiliates is a company identified on a list prepared and maintained by the Texas Comptroller of Public Accounts under Section 2252.153 or Section 2270.0201, Texas Government Code, and posted on any of the following pages of such officer's internet website:

<https://comptroller.texas.gov/purchasing/docs/sudan-list.pdf>,
<https://comptroller.texas.gov/purchasing/docs/iran-list.pdf>, or
<https://comptroller.texas.gov/purchasing/docs/fto-list.pdf>.

The foregoing representation is made solely to comply with Section 2252.152, Texas Government Code, and to the extent such Section does not contravene applicable Federal law and excludes the Bank and each of its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, that the United States government has affirmatively declared to be excluded from its federal sanctions regime relating to Sudan or Iran or any federal sanctions regime relating to a foreign terrorist organization. The Bank understands “affiliate” to mean any entity that controls, is controlled by, or is under common control with the Bank and exists to make a profit.

Section 6.13 Governing Law. This Agreement shall be construed in accordance with and governed by the laws of the State of Texas.

[The remainder of this page intentionally left blank.]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first above written.

[PAYING AGENT/REGISTRAR]

By: _____

Title: _____

Address: _____

GREATER TEXOMA UTILITY AUTHORITY

By: _____
Pricing Officer

Address: 5100 Airport Drive
Denison, Texas 75020

ANNEX A

EXHIBIT B

Contract For Water Supply and Sewer Service

CONTRACT FOR WATER SUPPLY AND SEWER SERVICE

THE STATE OF TEXAS

THE COUNTY OF GRAYSON

THIS AGREEMENT is made and entered into as of March 1, 1985, between the GREATER TEXOMA UTILITY AUTHORITY (hereinafter referred to as the "Authority"), a conservation and reclamation Authority, a governmental agency, a political subdivision of the State of Texas, and a body politic corporate, duly created, existing and acting by virtue of Chapter 97, Acts of the 66th Legislature of Texas, Regular Session, 1979, as amended, (the "Act") and the CITY OF SHERMAN, TEXAS, a municipal corporation in the County of Grayson, Texas (hereinafter referred to as the "City") duly created and existing under the laws of the State of Texas:

W I T N E S S E T H:

WHEREAS, the Authority, acting pursuant to the Act, proposes to issue its bonds for the purpose of providing (i) certain sanitary sewer collection and treatment facilities for use by the City, and (ii) an additional supply of water to the City and certain water supply facilities in order to store and transport such water to the City; and

WHEREAS, certain revenues to be received by the Authority from the City under this Agreement are to be pledged to the payment and security of the bonds to be issued by the Authority and will constitute the basis for the Authority's credit in financing such facilities; and

WHEREAS, the Authority and the City, acting through their duly constituted governing bodies, have mutually agreed upon the terms and conditions of this Agreement; now, therefore,

IN CONSIDERATION of the mutual covenants, agreements and undertakings herein set forth, the parties hereto hereby agree and contract as follows:

Definitions

SECTION 1.01: Unless the context shall indicate a contrary meaning of intent, the terms below defined, for all purposes of this contract and any contract amendatory or supplemental to this contract, shall be construed or used and are intended to have meanings as follows:

- (a) "Authority" shall mean the Greater Texoma Utility Authority, or its successor.
- (b) "Board" and "Board of Directors" shall mean the Board of Directors of the Authority.
- (c) "Bond Resolution" shall mean any resolution of the Board of Directors authorizing the issuance of the Bonds and providing for their security and payment, as such resolution(s) may be amended from time to time as therein permitted, where the proceeds from the sale of the Bonds will be used to discharge the cost of the Project.
- (d) "Bonds" shall mean any Bonds to be issued by the Authority for the purpose of providing funds to pay the necessary costs of the Project, whether in one or more series or issues, or any bonds issued to refund same.
- (e) "City" shall mean the City of Sherman, Texas.
- (f) "Cost of the Project" shall mean, with respect to the Water Project or the Sewer Project, all cost and expense incurred in connection with the acquisition, construction, improvements, enlargement, extension and repair of the Project, including, without limiting the generality of the foregoing, the cost of the acquisition of all land, rights-of-way, property rights, easements, and interests, the cost of all machinery and equipment, financing charges, interest and administrative expenses expected to accrue during the period of construction, the funding of any reserve funds created by the Bond Resolution(s), cost of estimates and of engineering and legal services, plans, specifications, surveys, estimates of cost and of revenue, other expenses necessary or incident to determining the feasibility and practicability of acquiring, constructing, improving, enlarging, extending, or repairing the Project, and such other expense as may be necessary or incident to the acquisition, construction, improvement, enlargement, extension or repair of the Project and all legal fees, printing and other cost, fees and expenses necessary for or incident to the issuance of the Bonds.
- (g) "Engineer" shall mean a registered, professional engineer (who may be the City Engineer or the Authority's Engineer). The City and Authority agree that the Engineer may be a

different firm on different aspects of the Project; that the Engineers (and the scope of their work) are set forth in Exhibit A; and that the Project will be acquired, constructed, improved, enlarged, extended and repaired in accordance with the plans and specifications prepared under the supervision of the Engineer. It is further agreed that an Engineer may be changed or added and the scope of duties adjusted by the Authority, subject to the consent of the City.

- (h) "Fiscal Year" shall mean the twelve month operating period (under this Agreement) commencing October 1st of each year, provided such twelve month period may be changed one time in any three calendar year period by agreement of the Authority and the City (which agreement, if made, shall be attached hereto as an exhibit).
- (i) "Maintenance and Operation Expense of the Project" shall mean the expense of maintenance and operation of the Project including all salaries, labor, materials, interest, repairs, and replacements necessary to render efficient service, or which might be necessary to meet some physical accident or condition which would otherwise impair the security of the Bonds. Such term shall not include depreciation.
- (j) "Operator" shall mean the party to this contract who is designated (in Exhibit B) as the party responsible for the act to be performed.
- (k) "Project" shall mean, collectively, the Water Project and the Sewer Project.
- (l) "Sewer Project" shall mean the sanitary sewer facilities which are to be (i) constructed or acquired in order to meet the contractual obligations hereunder, and (ii) financed by the Authority through the issuance of bonds or other obligations, to the extent the same are payable from the money paid or required to be paid by the City under this Agreement, or obtained as grant funds, from any source, for the purpose of paying all or part of the cost of the Project described in Exhibit C (as now or hereafter amended).

- (m) "Water Project" shall mean the water supply, storage and transmission facilities which are to be (i) constructed or acquired in order to meet the contractual obligations hereunder and (ii) financed by the Authority through the issuance of bonds or other obligations, to the extent the same are payable from the money paid or required to be paid by the City under this Agreement or obtained as grant funds, from any source; for the purpose of paying all or part of the cost of the Project described in Exhibit "D" (as now or hereafter amended).

ARTICLE II

Representations and Agreements

SECTION 2.01: The City's Representations and Agreements. In connection with its undertakings hereunder, the City represents to the Authority and agrees with the Authority as follows:

- (a) In its capacity as a duly incorporated City of Texas, it is empowered under applicable laws of Texas, particularly under the Interlocal Cooperation Act, to enter into the engagements prescribed for it under this agreement and to perform all obligations which may result therefrom, and its governing body has duly authorized execution of this contract.
- (b) It will timely pay to the Authority the full amount it is required to pay under the provisions of this contract for the services supplied by the Project.
- (c) That it will plan, construct, maintain, operate and finance its own utility system and set retail rates to individual customers for water and sanitary sewer service adequate to pay all City obligations secured by and made payable from the revenues derived from the operation of the City's combined Water and Sanitary Sewer System.
- (d) That it will cooperate with the Authority in the performance of the duties and responsibilities assigned to the Authority by this contract.

SECTION 2.02: Representations and Agreements of Authority. In connection with its undertakings hereunder, the Authority represents to the City and agrees with the City as follows:

- (a) In its capacity as a conservation and reclamation Authority created by the Act, pursuant to Article XIV, Section 59 of the Texas Constitution, it is empowered under applicable laws of the State of Texas, particularly under the Interlocal Cooperation Act and the Texas Water Code, to enter into the engagements prescribed for it under this agreement and to perform all obligations which may result therefrom, and its governing body has duly authorized execution of this contract.
- (b) That it will finance all costs of the Project not provided by the City and any grant secured for the construction of the Project.

SECTION 2.03: Construction. The Operator agrees to assume responsibility for the construction of the Project and the Authority will enter into such contracts as are necessary to provide the Project. To this end, the Authority and the City agree that:

- (a) Unless otherwise agreed by the parties, the Operator shall be responsible for the preparation of final plans and specifications for the Project.
- (b) Final plans and specifications for the Project shall be subject to the approval of the Authority and the City.
- (c) All construction contracts shall be let and awarded pursuant to the laws applicable to the Authority.
- (d) The Authority shall let and award all construction contracts, subject to the approval of each contract by the City.
- (e) The Authority shall deposit from the proceeds from the sale of its Bonds in a special Construction Fund to be created and established by the Bond Resolution(s), an amount of money which shall be specified in said Bond Resolution(s). The Authority shall draw on and use said Construction Fund to pay the cost of acquiring, constructing, improving, extending, enlarging and repairing the Project.

- (f) Unless otherwise agreed by the parties, the Operator shall be responsible for the acquisition of all land, rights-of-way, property rights, easements and interest required to provide the Project, subject to the approval of the City and the Authority.

ARTICLE III

Fiscal Matters

SECTION 3.01: Payment for Service. The Authority will provide from the proceeds received through the issuance and sale of its Bonds such funds as are necessary, when coupled with any funds or property provided by the City and any grant received for the purpose of providing all or part of the Project. It is agreed that the City and its customers shall have the exclusive use of the entire Project for the useful life of the Project. In consideration for the Authority's obligation hereunder, the City recognizes and agrees that the Authority will acquire an undivided interest in the Project equivalent to the percentage of the total cost of the Project provided by the Authority through the issuance and sale of its Bonds. It is further agreed that the City's obligations to make any and all payments specified in this Article will terminate when all of the Authority's Bonds issued in connection with the Project have been paid in full and retired and are no longer outstanding. It is further understood and agreed that the Authority's only source of funds to pay the principal of and interest on its Bonds is from the payments to be made by the City to the Authority under this Contract, and the City agrees that it will make to the Authority the following payments:

- (a) Monthly amortization payment -- Such amounts, payable monthly on or before the 25th day of each month, in approximately equal installments, as are necessary to pay (i) the principal coming due on the Authority's Bonds on the next succeeding principal payment date; (ii) the interest coming due on the Authority's Bonds on the next succeeding interest payment date; and, (iii) the fees and charges of the Paying Agent(s) for paying or redeeming the Bonds and interest thereon coming due on each applicable date.
- (b) Reserve Fund Payment -- Such amount as is required to be paid into the Reserve Fund from the Revenue Fund (out of payments to be made by the City) under the Bond Resolution in order to establish, maintain or replenish the Reserve for the security and payment of Bonds similarly secured.

- (c) Administrative Payment -- An amount sufficient to pay the administrative and overhead expenses of the Authority, directly attributable and chargeable to the Bonds and the Project, including the cost of routine annual accounting reports.
- (d) Extraordinary Expense Payment -- Such amounts, as are necessary to pay, or reimburse the Authority for any extraordinary or unexpected expenses or costs reasonably and necessarily incurred by the Authority in connection with the Bonds and the Project, such as expenses of litigation, if any, and costs of special studies and special professional services, if and when required by any governmental directive or regulation or as may be agreed between City and Authority.
- (e) The cost of Maintenance and Operation of the Project (for which provision is made in Section 3.03) if the Authority is the Operator under that Section.

SECTION 3.02: Time for Making of Payments. The City agrees to make the payments required by Section 3.01 at the times hereafter specified:

- (a) Monthly Amortization Payments -- the City shall commence making monthly amortization payments at such time as any amount required by the Bond Resolution(s) to be deposited into an escrow account for the payment of interest on the Bonds during the Project construction period has been fully exhausted; provided that such payments shall commence in no event later than the earlier of (i) twelve months prior to the first principal payment date specified in the Bond Resolution(s), or (ii) six months prior to the first interest payment date for which monies are not set aside for the payment of the interest coming due on such date from the proceeds of the Bonds. Monthly amortization payments shall continue to be made throughout the term of the contract and shall be adjusted by the City so as to provide for the accumulation of the full amount of debt service requirements (principal, interest and paying agent fees due on any given payment date) on or before the first day of the month such debt service requirements become due.

- (b) Reserve Fund Payment -- the City shall commence making these payments on the 25th day of a month, as may be provided in the Bond Resolution, after the delivery of the initial series of Bonds to provide the Project, and upon the issuance of additional Bonds, shall increase the payments in accordance with the Resolution authorizing such Bonds.
- (c) Administrative Payment -- the City shall commence making the administrative payment on the 10th day following the effective date of this Contract, and thereafter such payment shall be made on the 25th day of each month thereafter throughout the term of this contract.
- (d) Extraordinary Expense Payment -- the City shall make any extraordinary expense payment immediately upon receipt of the statement therefor.
- (e) Maintenance and Operating Expenses: (i) if the City is designated as the Operator under Section 3.03, such expenses shall be paid by the City as the same become due; or (ii) if the Authority is designated as the Operator under Section 3.03, the City shall pay (up to the amount annually budgeted for such expenses) the amount which the Authority determines shall be required in such months, such payments to be made on or before the 25th day of each month after the Project becomes operational. The annual budget shall be prepared by the Authority at least thirty (30) days prior to the date the project is to become operational, or, thereafter prior to the beginning of each fiscal year; the budget shall then be submitted to the City which may indicate exceptions or suggestions, which shall then be considered by the Board. If an annual budget is found to be insufficient or excessive, the parties agree the same shall be taken into consideration by an amendment, as well as the budget for the following year, with the view that additional payments shall be made or credit shall be given so that expenditures match receipts over the fiscal year or an adjustment is made in the following month.

SECTION 3.03: Maintenance and Operation of the Project.
Unless otherwise agreed by the parties, it is agreed that the Operator will be responsible for maintaining and operating the Project for the entire term of this Contract, and shall

pay all costs and expenses incurred in regard to the maintenance and operation of the Project. The Operator hereby agrees and covenants to operate and maintain the Project in accordance with accepted good business and engineering practices and in accordance with all applicable federal and state laws, including any rules and regulations issued by appropriate agencies in the administration of said laws. If the City is the Operator under this section, the City agrees to indemnify and to save and hold harmless the Authority from any and all claims, damages, losses, costs and expenses, including reasonable attorney fees, arising at any time from the acquisition, existence, ownership, operation and maintenance of the Project.

SECTION 3.04: Insurance. The Operator specifically agrees to carry fire, casualty, public liability, or other insurance on the Project for purposes and in amount which would ordinarily be carried by a municipal corporation owning and operating such facilities. Such insurance will provide, to the extent feasible and practicable, for the restoration of damaged or destroyed properties and equipment so as to minimize the interruption of services of such facilities. All premiums for such insurance shall constitute a maintenance and operation expense of the Project.

SECTION 3.05: Covenant of Timely Payment. The City covenants that it will timely make (i) the monthly amortization payments and (ii) the additional payments specified hereunder in accordance with the provisions of this contract as the same shall become due and payable, irrespective of whether service of the Project has been abandoned or discontinued, or if the Project has been rendered wholly or partially unuseful by reason for "force majeure". The City recognizes the fact that the Authority will use the payment received from the City hereunder to pay, secure and finance the issuance of the Bonds, and the holders of the Bonds shall be entitled to rely on the foregoing covenant of payment regard less of any other agreement that may exist between the Authority and the City.

SECTION 3.06: Late Payment Penalty. Should the City fail to make any payment at the times herein specified, interest on such amounts shall accrue at the rate of ten per centum (10%) per annum from the date such payment becomes due until paid in full with interest as herein specified. In the event such payment is not made within sixty (60) days from the date such payment becomes due, the Authority may institute a proceeding for a mandatory injunction requiring the payment of the amount due and interest thereon, such action to be instituted in a court of competent jurisdiction.

SECTION 3.07: Priority of Charges - City to Fix Adequate Rates.

- (a) The City represents and covenants that all payments to be made by it hereunder shall constitute "operating expenses" of the City's combined Water and Sanitary Sewer System.
- (b) The City further agrees to fix and collect such rates and charges for water and sanitary sewer services to its customers as will make possible the prompt payment of all expenses of operating and maintaining its combined Water and Sewer System, including all payments, obligations and indemnities contracted hereunder.

SECTION 3.08: Nature of Obligation of City. The payments required to be made by the City under the terms of this Contract shall be due and payable in any and all events regardless of whether there shall be, for any reason, a delay in the completion of all or any part of the Project and regardless of whether the Project shall have been wholly or partially destroyed or damaged. The agreements of the City shall be and are separate and independent covenants and the City shall have no rights of setoff, recoupment, or counterclaim. The Authority shall never have the right to demand payment of any amounts due hereunder by the City out of funds raised or to be raised by taxation. Any obligations assumed or imposed on either party hereto shall never be construed to be a debt of such party of a kind that would require it to levy and collect taxes to discharge any such obligation, it being expressly understood by the parties hereto that the funds required for all payments due from the City pursuant to this Contract are to be collected from the sources referenced herein, and by no other.

ARTICLE IV

Miscellaneous Provisions

SECTION 4.01: Contract Term. The obligation of the City to promptly make all prescribed payments shall commence with the delivery of the first series of Bonds issued to fund the cost of the Project and continue for the period during which the Bonds are outstanding and unpaid.

SECTION 4.02: Useful Life of Project. The City and Authority agree and mutually find that the anticipated useful life of the Project equals or exceeds the period specified in the Bond Resolution(s) for the maturity of all Bonds authorized to be issued.

SECTION 4.03: Abandonment of Use of Project. It is specifically recognized by the parties hereto that the City, during the term of this contract, may acquire other sewer facilities so as to make the continued operation of the Project uneconomical so it will be to the best interest of the parties to discontinue the operation of the Project.

Should the City choose to discontinue the operation of all or part of the Project, the City shall have the exclusive right to the salvage of all of the properties and improvements constituting the Project so discontinued. Any cost of salvage will be a maintenance and operating expense of the City, and any money realized from such salvage will serve as a reduction of such expense. The City shall retain the use of the land where the Project is situated and all remaining improvements thereon for its corporate purposes.

The abandonment of the use of the Project shall have no effect upon the obligations of the City to the Authority provided for by this contract and all payments provided for by this contract shall remain obligations of the City of the same nature as provided for by this contract.

SECTION 4.04: Modification of Provisions. This contract may be changed and modified only with the consent of the governing bodies of all parties signatory. Such modification may be requested by either party, in which event a joint meeting of the governing bodies or of their duly authorized and appointed representatives shall be held not less than thirty (30) days after the giving of such notice. At such joint meeting, the suggested changes or modifications shall be considered, discussed and settled. No such change or modification may be made which will affect adversely the payment when due of all monies required to be paid by the City under the terms of this contract and no such change will be effective which affects adversely or causes a violation of any covenants contained in the Bond Resolution(s).

If for any reason the City may desire the construction of additional facilities over and above those now contemplated, and provided that same are within the legal and economic capabilities of the Authority, provision therefor shall be made by means of a supplement hereto, the terms of which are to be negotiated between the City and the Authority.

SECTION 4.05: Regulatory Provisions. This contract shall be subject to all valid rules, regulations and laws applicable thereto, as promulgated by the United States of America, the State of Texas, or any other governmental body or agency having lawful jurisdiction or any authorized representative or agency of any of them.

SECTION 4.06: Taxes. In the event any sales or use taxes, or taxes of any nature, are hereafter imposed upon the Project or the Authority on account of the acquisition, existence, ownership, operation and maintenance of the Project, the amount of such taxes shall be treated as operating expenses of the Project.

SECTION 4.07: Title to Water and Sewage. Title to all water and sewage put into the Project under this agreement shall be in the City.

SECTION 4.08: Notices. Any notice, request, demand, statement or bill provided for in this agreement shall be in writing and shall be considered to have been duly delivered when sent by registered mail, addressed as follows:

To the Authority:	5100 Airport Drive Denison, Texas 75020 Attention: President, Board of Directors
To the City:	City Hall P. O. Box 1106 Sherman, Texas 75090 Attention: Mayor, City of Sherman

as the case may be, except that routine communications may be sent by ordinary mail and except that either party, by the filing of an appropriate written notice to the other, may specify some other individual to whom communications thereafter are to be addressed.

SECTION 4.09: Covenant to Enforce Contractual Obligations. The Authority covenants that it will enforce the obligations of the City hereunder as may be required to accomplish the purpose of this contract. Either party may enforce any obligations hereunder owed to it by the other party.

SECTION 4.10: Consequences of City Default. The Authority and the City agree that in the event of default or threatened default, in the payment of principal or of interest on the Bonds, any court of competent jurisdiction upon petition of the holders of twenty-five percent (25%) of the principal amount of the then outstanding Bonds of the Authority shall appoint a receiver with authority to collect and receive all resources pledged to the payment of the Bonds, enforce all rights arising from default, if any, by the City in making payment under this contract, and take charge of the pledged funds on hand and manage the proprietary affairs of the Authority insofar as such affairs relate to the

Project. The court may further vest the receiver with such powers and duties as the court may find necessary for the protection of the holders of the Bonds.

SECTION 4.11: Further Agreements of the Parties. The parties hereto specifically recognize that the City has heretofore issued, sold and delivered revenue bonds that are payable from and secured by a lien on and pledge of the net revenue of its combined Water and Sanitary Sewer System; that the bonds so issued and delivered (which remain outstanding) are fully described in exhibit E.

The City represents to the Authority:

- (a) There is no provision in the ordinances authorizing the issuance of such revenue bonds which prohibits the City from entering into and executing this contract.
- (b) The execution of this contract and the operation thereunder will not in any way impair the obligation of contract by and between the City and the owners of its outstanding bonds payable from revenues of its Water and Sanitary Sewer System since the Project is in furtherance of governmental policy, not inconsistent with the existing contractual obligations of the City.

SECTION 4.12: Control of Project by Operator. The parties hereto recognize and it is specifically agreed that after completion of the Project and during the term of this contract, the Operator shall have the exclusive right to the use and utilization of the Project, for the benefit of the City; that the Operator without hindrance from the Authority or the City, or the employees or other agents of either of them, may operate, maintain, repair, enlarge, improve, extend, provide for additions to or otherwise control, manage and keep up the said Project.

Except as specified in this Article, the abandonment of the use of all or part of such Project has no effect upon the obligations of the parties.

SECTION 4.13: Force Majeure:

- (a) If for any reason of "force majeure" either of the parties hereto shall be rendered unable wholly or in part to carry out its obligations under this Agreement, other than the obligation of City to make the payments required under the terms of Section 3.01 hereof, then if such party shall

give notice and full particulars of such reasons in writing to the other party within a reasonable time after the occurrence of the event, or cause relied on, the obligation of the party giving such notice, so far as it is affected by such "force majeure" shall be suspended during the continuance of the inability then claimed, but for no longer period, and any such parties shall endeavor to remove or overcome such inability with all reasonable dispatch. The term "force majeure" as employed herein shall mean acts of God, strikes, lock-outs, or other industrial disturbances, acts of a public enemy, orders or actions of any kind of the Government of the United States of America or of the State of Texas or any civil or military authority, insurrections, riots, epidemics, landslides, lightning, earthquakes, fires, hurricanes, storms, floods, washouts, droughts, arrests, restraints of government and people, civil disturbances, explosions, breakages or accident to dams, machinery, partial or entire failure of water supply and inability on the part of the Authority to deliver water hereunder or to provide sewage treatment or of the City to receive water or to deliver sewage treatment, on account of any other cause not reasonably within the control of the party claiming such inability. It is understood and agreed that the settlement of strikes and lockouts shall be entirely within the discretion of the party having the difficulty, and that the above requirement that any force majeure shall be remedied with all reasonable dispatch, shall not require the settlement of strikes and lockouts by acceding to the demands of the opposing parties when such settlement is unfavorable to it in the judgment of the party having the difficulty. No failure of Authority to meet any obligation by reason for force majeure shall relieve the City from its obligations to make the payments required under the terms of Section 3.01 hereof.

(b) No damage shall be recoverable from Authority by reason of the suspension of the operation of the Project due to any of the causes above mentioned. If Operator's ability to operate the Project is affected by any of such causes, the Operator shall promptly notify the other party in writing giving the particulars as soon as practicable after the occurrence of the cause or causes for such interruption.

(c) It is expressly recognized by City that the Operator may be compelled to make necessary alterations, repairs or extensions of new or additional facilities from time to time during the life of this Agreement and any suspensions of the operation of the Project due to such operation shall not be cause for claim of damage on part of the Operator provided all reasonable effort is used by the Operator to provide City with the service afforded by the Project in accordance with this Agreement. In such case, the Operator shall give

the other party as much advance notice as may be practicable of the suspension of operation and of the estimated duration thereof.

SECTION 4.14: Easements. City agrees that Authority may have such easements over any easements, right of way or property held by City so that the facilities herein anticipated and the placement thereof and of all required equipment may be appropriately provided.

SECTION 4.15: Bond Approval by the City.

- (a) Prior to the issuance and delivery of any bonds which are: (i) payable as to principal, interest or redemption premium out of the debt service payments, or (ii) to provide facilities or service or any item which is to be maintained by the Authority utilizing any part of the base monthly payments, the City shall approve the issuance thereof as provided in this section.
- (b) If the bonds are to be sold at a public sale, the governing body of the City shall, by resolution, approve (i) the "Notice of Sale" issued or proposed to be issued by the Authority prior to their delivery; and, (ii) the facilities to be constructed or acquired; if the bonds are refunding bonds, the governing body of the City shall, by resolution, approve either (i) the form of purchase contract or (ii) the resolution authorizing the issuance of the refunding bonds.
- (c) If the bonds are to be exchanged for property or services, the governing body of the City shall, by resolution, approve (i) the resolution adopted by the governing body of the Authority which authorizes the issuance of such bonds; and, (ii) the facilities to be constructed or acquired, or the services to be provided.

SECTION 4.16: Effective Date of this Contract. (a) The parties hereto, and the Texas Water Development Board, by virtue of its approval evidenced by the signature of the Development Fund Manager appearing hereon, recognize this Contract is an amendment to and replacement of a "Water Supply Contract" dated June 1, 1980, and a "Sewer Service Contract" dated as of October 1, 1981, (the "prior contracts"). Upon the effective date of this Contract, the prior contracts and their effect shall cease to be of effect.

(b) This Contract shall be effective and be in full force and effect at such time as:

- (1) The Board of Directors of the Authority has adopted a resolution authorizing the issuance of bonds to refund the outstanding bonds of the Authority described as:

- (i) "Greater Texoma Municipal Utility District Revenue Bonds, Series 1981 - City of Sherman Water Supply";
- (ii) "Greater Texoma Municipal Utility District Revenue Bonds, Series 1982-A - City of Sherman Sewer Service"; and
- (iii) "Greater Texoma Utility Authority Revenue Bonds, Series 1983 - City of Sherman Sewer Service"

and the Attorney General of Texas has approved such refundings bonds; and

- (2) The Development Fund Manager of the Texas Water Development Board has consented to the execution of this Contract, as evidenced by his signature appearing hereon.

SECTION 4.17: Severability. The parties hereto agree that if any of the provisions of this Agreement contravene or be held invalid under the laws of the State, same shall not invalidate the whole Agreement but it shall be construed as through not containing that particular provision, and the rights and obligations of the parties shall be construed and in force accordingly.

IN WITNESS WHEREOF, the parties hereto, acting under authority of their respective governing bodies, have caused this Agreement to be duly executed in several counterparts, each of which shall constitute an original, all as of the day and year first above written.

GREATER TEXOMA UTILITY AUTHORITY

By: Robert P. Quinn
President, Board of
Directors

ATTEST:

James Marshall
Secretary, Board of Directors
(Authority Seal)

CITY OF SHERMAN, TEXAS.

By: [Signature]
Mayor, City of Sherman

ATTEST:

[Signature]
City Clerk, City of Sherman

APPROVED AS TO LEGAL FORM:

[Signature]
City Attorney, City of Sherman

(City Seal)

The Development Fund Manager of the Texas Water Development Board has consented to the execution of this Contract as authorized by the Texas Water Development Board on July 21, 1983.

[Signature]
Development Fund Manager

EXHIBIT A - SUPPLEMENTAL PROJECT

City of Sherman Wastewater Project

Engineer:

J. Terry Milligan
Freeman-Milligan, Inc.
9500 Forest Lane, Suite 201
Dallas, TX 75243

(214) 503-0555
(214) 503-1148 (fax)

EXHIBIT A
SUPPLEMENTAL PROJECT (2009)
ENGINEER

U.S. 75 North Sewer Project

Freeman-Millican, Inc.
12225 Greenville Ave., Suite 121
Dallas, TX 75253

EXHIBIT B – SUPPLEMENTAL PROJECT (2009)

City of Sherman

EXHIBIT C – SUPPLEMENTAL PROJECT

Wastewater Project Description

Construction of the North Central relief Sanitary, Sewer and purchase and installation of ultraviolet equipment for the Sherman wastewater treatment plant.

EXHIBIT C-1 -- SUPPLEMENTAL PROJECT

Project Description

The sewer system improvements project for the City of Sherman involves improvements to the biological capacity of the wastewater treatment plant, adding a third aeration basin; and construction of Relief Sewer C in the south central portion of the City of Sherman.

EXHIBIT C-2 – SUPPLEMENTAL PROJECT

Project Description

The construction, acquisition and improvement of wastewater system facilities and necessary appurtenances for use by the City of Sherman, to wit: construction of the North Central Relief Sanitary Sewer and purchase and installation of ultraviolet equipment for the Sherman wastewater treatment plant.

EXHIBIT C-3 – SUPPLEMENTAL PROJECT

Project Description (2008)

Wastewater Treatment Plant Digester Rehabilitation consisting of replacement of compressors, piping, burners, ancillary equipment, and other appurtenances as necessary in sludge digesters; Major Sewer Rehabilitation - Relief Sewer K-4 Phase 1, consisting of construction of relief sewer between McGee Street and Lamberth Road; and Major Sewer Rehabilitation, consisting of sewer mains along US Highway 75 corridor to FM 691, including lift stations and other appurtenances as necessary.

EXHIBIT C-4 - SUPPLEMENTAL PROJECT

PROJECT DESCRIPTION (2009)

Major sewer rehabilitation, consisting of sewer mains along US Highway 75 North of the City of Sherman, including lift stations and other appurtenances as necessary.

EXHIBIT C-5 -- SUPPLEMENTAL PROJECT

PROJECT DESCRIPTION (2009-A)

Wastewater Treatment Plant Improvements:

The improvements to the wastewater treatment plant include two digester roof projects, a primary clarifier rehabilitation and a fine screen installation, and other appurtenances as necessary.

Relief Sewers:

Relief Sewer C-1 will replace an existing sewer main that is deteriorated and has infiltration problems. Relief Sewer K-4 replaces a deteriorated sewer line that is also experiencing infiltration problems, and other appurtenances as necessary.

EXHIBIT C-6 - SUPPLEMENTAL PROJECT (2012)

Project Description

Wastewater:

Modifications to the Sherman wastewater treatment plant headworks, including upgrading the variable frequency drive pumps, Phases I and II; East Side Lift Station engineering and design; biosolids engineering, design and construction; relief headworks preliminary engineering and design and storm water storage contingency.

EXHIBIT C-7 – SUPPLEMENTAL PROJECT (2013)

Project Description

Wastewater Treatment Plant Improvements

Improvements to the wastewater treatment plant, including biosolids engineering, design and construction.

Sewers

Construction of Blalock Industrial sewer replacement, all other appurtenances as necessary, and construction of SH289 Sewer Line A and other appurtenances as necessary.

EXHIBIT C-8 – SUPPLEMENTAL PROJECT (2013-A)

WASTEWATER PROJECT DESCRIPTION

Wastewater Treatment Plant Improvements

Relief Headworks Engineering and Construction

Sewers

Construction of South Sherman Relief Sewer and other appurtenances as necessary.

EXHIBIT C-9 – SUPPLEMENTAL PROJECT (2014)

WASTEWATER PROJECT DESCRIPTION

Wastewater Treatment Plant Improvements

Upgrading the UV disinfection system to replace sensors, control elements and other equipment as necessary with more reliable components, reconstructing the head works for lift station.

Wastewater Collection System

Replacement of existing 12" and 18" sewer and new 18" sewer main.

EXHIBIT C-10 – SUPPLEMENTAL PROJECT (2015-A)

Project Description (Sewer)

The construction, acquisition, and improvement of sewer system facilities and necessary appurtenances for use by the City of Sherman, Texas (the "City"), including the construction of improvements to the wastewater treatment plant head works lift station and electrical upgrade improvements and other appurtenances as necessary

EXHIBIT C-11 – SUPPLEMENTAL PROJECT (2017A)

Project Description (Sewer)

construction, acquisition, and improvement of sewer system facilities and necessary appurtenances for use by the City of Sherman, Texas (the "City"), including the planning, acquisition, design and construction of sewer lines, and other appurtenances as necessary

EXHIBIT C-12 – SUPPLEMENTAL PROJECT (2019)

Project Description (Sewer)

Sewer System Improvements to include construction and professional services associated with improvements to the wastewater treatment plant, including the aeration basin, biological clarifier, control building, and storm water lift station; construction and professional services associated with sewer line construction projects, including the construction of the Northwest Sewer, Sewer between Rosedale and First, and Moore Street Sewer and appurtenances and other costs as necessary for such sewer system improvements.

EXHIBIT C-13 – SUPPLEMENTAL PROJECT (2020)

Project Description (Sewer)

construction, acquisition, and improvement of wastewater system facilities and necessary appurtenances for use by the City of Sherman, Texas (the "City"), including aeration basin upgrades, control building expansion, and rehabilitation to the biological clarifier, storm water lift station, equalization basin, primary clarifier No. 1, sludge pump station, and other appurtenances as necessary for wastewater treatment plant improvements, construction of a brine line from the water treatment plant to an existing lift station, and other appurtenances and costs to transport the water treatment plant reject water

EXHIBIT D -- SUPPLEMENTAL PROJECT

Water Project Description

None

EXHIBIT D-1 -- SUPPLEMENTAL PROJECT

Project Description

The water system improvements project for the City of Sherman includes a major water transmission line from US 82 to Taylor Street.

EXHIBIT D-2 – SUPPLEMENTAL PROJECT

Project Description

City of Sherman various water line replacements and relocations, various water main extensions and various water main relocations and reconstructions and other water appurtenances as needed.

EXHIBIT D-3 – SUPPLEMENTAL PROJECT

WATER PROJECT DESCRIPTION (2008)

Construction of water line(s) along U. S. 75 from approximately U. S. 82 to FM 601, to including piping and all other appurtenances necessary for the construction of the water line.

EXHIBIT D-4 - SUPPLEMENTAL PROJECT (2011)

Water Project Description

Lake Texoma Pump Station Expansion including installation of two (2) 6,000 HP pumps along with necessary electrical, SCADA, and instrumentation equipment; installation of discharge piping, pump control valves, butterfly valves, and miscellaneous appurtenances; power improvements as needed to supply power to operate the new equipment; condition assessment modifications of Section 1 of the existing 72-inch Texoma Pipeline to upgrade condition and pressure capacity of pipe

EXHIBIT D-5 -- SUPPLEMENTAL PROJECT (2012)

Project Description

Water

Construction of a second water transmission line from the water treatment plant to the distribution system (Phases I and II), including engineering, right of way and construction; modifications to the Lake Texoma Raw Water Pipeline to provide for cleaning facilities to clean zebra mussels from pipeline; and flocculation basin and piping relining.

EXHIBIT D-6 – SUPPLEMENTAL PROJECT (2015)

Project Description (Water)

The construction, acquisition, and improvement of water system facilities and necessary appurtenances for use by the City of Sherman, Texas (the "City"), including the planning, acquisition and design associated with the City of Sherman expansion and upgrade and expansion of the water treatment plant, disposal pipeline to the lift station located at the southwest corner of the intersection of U.S. 75 and FM 691 and other appurtenances as necessary

EXHIBIT D-7 – SUPPLEMENTAL PROJECT (2015B)

Project Description (Water)

construction, acquisition, and improvement of water system facilities and necessary appurtenances for use by the City of Sherman, Texas (the "City"), including the planning, acquisition, design and construction for a water treatment plant expansion and new elevated storage tank and other appurtenances as necessary,

EXHIBIT D-8 -- SUPPLEMENTAL PROJECT (2017)

Project Description (Water)

construction, acquisition, and improvement of water system facilities and necessary appurtenances for use by the City of Sherman, Texas (the "City"), including the planning, acquisition, design and construction for a water treatment plant, and other appurtenances as necessary

EXHIBIT D-9 – SUPPLEMENTAL PROJECT (2017A)

Project Description (Water)

construction, acquisition, and improvement of water system facilities and necessary appurtenances for use by the City of Sherman, Texas (the "City"), including the planning, acquisition, design and construction of water lines and rehabilitation of the Gallagher elevated storage tank, and other appurtenances as necessary

EXHIBIT D-10 – SUPPLEMENTAL PROJECT (2019)

Project Description (Water)

Water System Improvements to include construction and professional services associated with improvements to the construction of the water crossing under US 75 at Choctaw, and cathodic protection improvements at the Lake Texoma Pump Station; and appurtenances and other costs as necessary for such water system improvements.

EXHIBIT D-11 – SUPPLEMENTAL PROJECT (2019A)

Project Description (Water)

Construction, acquisition and improvement of water and sewer system facilities and necessary appurtenances for use by the City of Sherman, Texas and the payment of all costs incident and related to the acquisition and financing thereof.

EXHIBIT D-12 – SUPPLEMENTAL PROJECT (2021)

Project Description (Sewer)

Construction, acquisition and improvement of water and sewer system facilities and necessary appurtenances for use by the City of Sherman, Texas and the payment of all costs incident and related to the acquisition and financing thereof.

EXHIBIT E – SUPPLEMENTAL PROJECT (2009)

Outstanding Debt on the System

NONE

PRICING CERTIFICATE

I, the undersigned, Drew Satterwhite, General Manager of the Greater Texoma Utility Authority (the "Authority"), pursuant to Section 3 of the resolution (the "Resolution") authorizing the issuance of obligations designated as "Greater Texoma Utility Authority Contract Revenue Refunding Bonds, Series 2021 (City of Sherman Project)" (the "Bonds") do hereby approve the following terms of the Bonds:

1. Capitalized terms not otherwise defined herein have the meaning assigned in the Resolution.

2. The Refunded Bonds are hereby identified as follows:

(a) "Greater Texoma Utility Authority Contract Revenue Bonds, Series 2011 (City of Sherman Project)", dated December 1, 2010, scheduled to mature on October 1 in each of years 2022, 2025, 2028, and 2031, aggregating in the principal amount of \$1,255,000 (the "Series 2011 Bonds"), called for redemption on July 27, 2021;

(b) "Greater Texoma Utility Authority Contract Revenue Bonds, Series 2012 (City of Sherman Project)", dated December 15, 2011, scheduled to mature on October 1 in each of years 2022 through 2032, inclusive, aggregating in the principal amount of \$3,620,000 (the "Series 2012 Bonds"), called for redemption on October 1, 2021; and

(c) "Greater Texoma Utility Authority Contract Revenue Bonds, Series 2013 (City of Sherman Project)", dated December 15, 2012, scheduled to mature on October 1 in each of years 2022 through 2023, inclusive, 2025, 2027, 2029, 2031, and 2033, aggregating in the principal amount of \$2,500,000 (the "Series 2013 Bonds" and, together with the Series 2011 Bonds and the Series 2012 Bonds, the "Refunded Bonds"), called for redemption on October 1, 2021.

3. The refunding will result in a present value savings of 11.940%, net of any issuer contribution, which savings is at least 3.0% in accordance with the Resolution.

4. The Bond Date of the Bonds shall be July 8, 2021.

5. The principal amount of the Bonds shall be \$6,365,000 which amount does not exceed \$8,000,000 in accordance with the Resolution.

6. The purchase price for the Bonds is \$7,642,675.02 (representing the original principal amount of the Bonds of \$6,365,000.00, plus an original issue premium of \$1,324,543.45, and less an Underwriter's discount of \$46,868.43).

7. The Bonds shall become due on and payable on October 1 in each of the years and bear interest at the per annum rates as follows:

<u>Year of Stated Maturity</u>	<u>Principal Amount (\$)</u>	<u>Interest Rates (%)</u>
2022	425,000	5.000

2023	450,000	5.000
2024	480,000	5.000
2025	510,000	5.000
2026	535,000	5.000
2027	565,000	5.000
2028	600,000	5.000
2029	645,000	5.000
2030	680,000	5.000
2031	710,000	4.000
2032	585,000	3.000
2033	180,000	3.000

8. The Bonds shall bear interest from the date of their delivery to the Purchaser and interest shall be payable on April 1 and October 1 in each year, commencing October 1, 2021, until maturity or prior redemption.

9. (a) The Bonds having Stated Maturities on and after October 1, 2031, shall be subject to redemption prior to maturity, at the option of the Authority, in whole or in part in principal amounts of \$5,000 or any integral multiple thereof (and if within a Stated Maturity selected by lot by the Paying Agent/Registrar), on October 1, 2030, or on any date thereafter, at the redemption price of par plus accrued interest to the date of redemption.

(b) At least forty five (45) days prior to an optional redemption date for the Bonds (unless a shorter notification period shall be satisfactory to the Paying Agent/Registrar), the Authority shall notify the Paying Agent/Registrar of the decision to redeem Bonds, the principal amount of each Stated Maturity to be redeemed, and the date of redemption therefor. The decision of the Authority to exercise the right to redeem Bonds shall be entered in the minutes of the governing body of the Authority.

(c) If fewer than all Outstanding Bonds of the same Stated Maturity are to be redeemed on a redemption date, the Paying Agent/Registrar shall treat such Bonds as representing the number of Bonds Outstanding, which is obtained by dividing the principal amount of such Bonds by \$5,000, and shall select the Bonds to be redeemed within such Stated Maturity by lot.

(d) Not fewer than thirty (30) days prior to a redemption date for the Bonds, a notice of redemption shall be sent by United States mail, first class postage prepaid, in the name of the Authority and at the Authority's expense, to each Holder of a Bond to be redeemed in whole or in part at the address of the Holder appearing on the Security Register at the close of business on the business day next preceding the date of mailing such notice, and any notice of redemption so mailed shall be conclusively presumed to have been duly given irrespective of whether received by the Holder.

All notices of redemption shall (i) specify the date of redemption for the Bonds, (ii) identify the Bonds to be redeemed and, in the case of a portion of the principal amount to be redeemed, the principal amount thereof to be redeemed, (iii) state the redemption price, (iv) state that the Bonds, or the portion of the principal amount thereof to be redeemed, shall become due and payable on the redemption date specified, and the interest thereon, or on the portion of the principal amount thereof to be redeemed, shall cease to accrue from and after the redemption date, and (v) specify that payment of the redemption price for the Bonds, or the

principal amount thereof to be redeemed, shall be made at the Designated Payment/Transfer Office of the Paying Agent/Registrar only upon presentation and surrender thereof by the Holder. If a Bond is subject by its terms to prior redemption and has been called for redemption and notice of redemption thereof has been duly given as hereinabove provided, such Bond (or the principal amount thereof to be redeemed) shall become due and payable and interest thereon shall cease to accrue from and after the redemption date therefor; provided moneys sufficient for the payment of such Bond (or of the principal amount thereof to be redeemed) at the then applicable redemption price are held for the purpose of such payment by the Paying Agent/Registrar.

(e) With respect to any optional redemption of the Bonds, unless certain prerequisites to such redemption required by the Resolution have been met and moneys sufficient to pay the principal of and premium, if any, and interest on the Bonds to be redeemed shall have been received by the Paying Agent/Registrar prior to the giving of such notice of redemption, such notice may state that said redemption is conditional upon the satisfaction of such prerequisites and receipt of such moneys by the Paying Agent/Registrar on or prior to the date fixed for such redemption. If a conditional notice of redemption is given and such prerequisites to the redemption are not satisfied or sufficient moneys are not received, such notice shall be of no force and effect, the Authority shall not redeem such Bonds and the Paying Agent/Registrar shall give notice, in the manner in which the notice of redemption was given, to the effect that the Bonds have not been redeemed.

10. The Bonds authorized and approved by the Resolution are hereby sold by the Authority to Huntington Securities, Inc. (herein referred to as the "Purchaser") in accordance with the Bond Purchase Agreement (the "Bond Purchase Agreement"), dated June 10, 2021, attached hereto as **Exhibit A** and incorporated herein by reference as a part of the Pricing Certificate for all purposes, which terms of sale are declared to be in the best interests of the Authority. The undersigned, as authorized and directed in the Resolution to execute said Bond Purchase Agreement for and on behalf of the Authority and as the act and deed of the Board of Directors of the Authority (the "Board"), has so executed such Bond Purchase Agreement as the Board's act and deed. The representations, warranties and agreements of the Authority contained therein are true and correct in all material respects and shall be honored and performed by the Authority.

11. The use of the Preliminary Official Statement by the Purchaser in connection with the public offering and sale of the Bonds is hereby ratified, confirmed and approved in all respects. The final Official Statement, being a modification and amendment of the Preliminary Official Statement to reflect the terms of sale (together with such changes approved by the President, Vice President and Secretary of the Board or the General Manager of the Authority, any one or more of said officials), shall be and is hereby in all respects approved, and the Purchaser may and shall use and distribute said final Official Statement, dated June 10, 2021, in the reoffering, sale, and delivery of the Bonds to the public.

12. The form of the Bonds, including the Initial Bond, shall be as set forth in **Exhibit B** attached hereto and incorporated herein by reference as a part hereof for all purposes.

13. The selection and appointment of BOKF, NA, Dallas, Texas to serve as Paying Agent/Registrar for the Bonds is hereby approved and confirmed. The designated office of the Paying Agent/Registrar in St. Paul, Minnesota is the "Designated Payment/Transfer Office" for the Bonds.

14. The selection and appointment of BOKF, NA, Dallas, Texas, to serve as escrow agent is hereby approved and confirmed. An "Escrow Agreement" substantially in the form attached hereto as **Exhibit C** is hereby approved as to form and content. The undersigned, as authorized and directed in the Resolution to execute said Escrow Agreement for and on behalf of the Authority and as the act and deed of the Board, has so executed such Escrow Agreement as the Board's act and deed.

15. In order to provide for the refunding, discharge, and retirement of the Refunded Bonds, the Refunded Bonds are hereby called for redemption as set forth in paragraph 2 of this Pricing Certificate, each at the price of par plus accrued interest to their respective redemption date. Notices of such redemption of the Refunded Bonds shall be given in accordance with the applicable provisions of the resolutions adopted by the Board authorizing the issuance thereof. Forms of notice of redemption to be sent to bondholders in accordance with the provisions of the Resolution and the resolutions authorizing the Refunded Bonds are attached hereto as **Exhibit D**, **Exhibit E**, and **Exhibit F** and incorporated herein by reference as a part hereof for all purposes.

16. The Authority will not contribute any funds to accomplish the refunding.

17. The financial information and operating data with respect to the Authority to be provided annually (beginning with the fiscal year ending September 30, 2021) in accordance with Section 41 of the Resolution are (a) the financial statements of the Authority and the City appended to the Official Statement as Appendix B and Appendix C, respectively, for the most recently concluded fiscal year, and (b) the information contained under Tables 1 through 11 of the Official Statement. The accounting principles referred to in such Section are the accounting principles described in the financial statements appearing in Appendix B (with respect to the Authority) and Appendix C (with respect to the City) to the Official Statement.

18. Provisions Relating to Bond Insurance. The Bonds will be insured by Assured Guaranty Municipal Corp., a New York stock insurance company (the "Insurer" or "AGM"). The following provisions shall apply to the Insurance Policy (defined below), but only for so long as the Insurance Policy is in effect with respect to the Bonds:

(a) "Insurance Policy" shall be defined as follows: "the insurance policy issued by the Insurer guaranteeing the scheduled payment of principal of and interest on the Bonds when due". The term "Insurer" or "AGM" shall include any successor thereto or assignee thereof. The term "Insured Bonds" shall mean any Bonds covered by the Insurance Policy.

(b) The prior written consent of the Insurer shall be a condition precedent to the deposit of any credit instrument provided in lieu of a cash deposit into the Reserve Fund. Notwithstanding anything to the contrary set forth in the Resolution, amounts on deposit in the Reserve Fund shall be applied solely to the payment of debt service due on Bonds Similarly Secured.

(c) The Insurer shall be deemed to be the sole holder of the Insured Bonds for the purpose of exercising any voting right or privilege or giving any consent or direction or taking any other action that the holders of the Insured Bonds are entitled to take pursuant to the Resolution pertaining to (i) defaults and remedies and (ii) the duties and obligations of the Paying Agent/Registrar. In furtherance thereof and as a term of the Resolution and each Bond, each Holder of the Bonds appoints the Insurer as its agent and attorney-in-fact with respect to the Bonds and agrees that the Insurer may at any time during the continuation of any

proceeding by or against the Authority under the United States Bankruptcy Code or any other applicable bankruptcy, insolvency, receivership, rehabilitation or similar law (an "Insolvency Proceeding") direct all matters relating to such Insolvency Proceeding, including without limitation (A) all matters relating to any claim or enforcement proceeding in connection with an Insolvency Proceeding (a "Claim"), (B) the direction of any appeal of any order relating to any Claim, (C) the posting of any surety supersedes or performance bond pending any such appeal, and (D) the right to vote to accept or reject any plan of adjustment. In addition, each Holder of the Bonds delegates and assigns to the Insurer, to the fullest extent permitted by law, the rights of each Holder of the Bonds with respect to the Bonds in the conduct of any Insolvency Proceeding, including, without limitation, all rights of any party to an adversary proceeding or action with respect to any court order issued in connection with any such Insolvency Proceeding. The Paying Agent/Registrar acknowledges such appointment, delegation and assignment by each Holder of the Bonds for the Insurer's benefit, and agrees to cooperate with the Insurer in taking any action reasonably necessary or appropriate in connection with such appointment, delegation and assignment. Remedies granted to the Holders shall expressly include mandamus.

(d) The maturity of Bonds insured by the Insurer shall not be accelerated without the consent of the Insurer and in the event of maturity of the Bonds is accelerated, the Insurer may elect, in its sole discretion, to pay accelerated principal, and interest accrued on such principal, to the date of acceleration (to the extent unpaid by the Authority) and the Paying Agent/Registrar shall be required to accept such amounts. Upon payment of such accelerated principal and interest accrued to the acceleration date as provided above, the Insurer's obligations under the Insurance Policy with respect to such Bonds shall be fully discharged.

(e) No grace period for a covenant default shall exceed thirty (30) days or be extended for more than sixty (60) days, without the prior written consent of the Insurer. No grace period shall be permitted for payment defaults.

(f) The Insurer shall be included as a third party beneficiary to the Resolution.

(g) Upon the occurrence of an optional or mandatory redemption in part, the selection of Bonds to be redeemed shall be subject to the approval of the Insurer. The exercise of any provision of the Resolution which permits the purchase of Bonds in lieu of redemption shall require the prior written approval of the Insurer if any Bond so purchased is not cancelled upon purchase.

(h) Any amendment, supplement, modification to, or waiver of, the Resolution or any other transaction document, including any underlying security agreement (each a "Related Document"), that requires the consent of Holders or adversely affects the rights and interests of the Insurer shall be subject to the prior written consent of the Insurer.

(i) The rights granted to the Insurer under the Resolution or any other Related Document to request, consent to or direct any action are rights granted to the Insurer in consideration of its issuance of the Insurance Policy. Any exercise by the Insurer of such rights is merely an exercise of the Insurer's contractual rights and shall not be construed or deemed to be taken for the benefit, or on behalf, of the Holders and such action does not evidence any position of the Insurer, affirmative or negative, as to whether the consent of the Holders or any other person is required in addition to the consent of the Insurer.

(j) Only (1) cash, (2) non-callable direct obligations of the United States of America ("Treasuries"), (3) evidences of ownership of proportionate interests in future interest and principal payments on Treasuries held by a bank or trust company as custodian, under which the owner of the investment is the real party in interest and has the right to proceed directly and individually against the obligor and the underlying Treasuries are not available to any person claiming through the custodian or to whom the custodian may be obligated, (4) subject to the prior written consent of the Insurer, pre-refunded municipal obligations rated "AAA" and "Aaa" by S&P and Moody's, respectively, or (5) subject to the prior written consent of the Insurer, securities eligible for "AAA" defeasance under then existing criteria of S&P or any combination thereof, shall be used to effect defeasance of the Bonds unless the Insurer otherwise approves.

To accomplish defeasance of the Bonds, the Authority shall cause to be delivered (i) either a report of an independent firm of nationally recognized certified public accountants or such other accountant as shall be acceptable to the Insurer verifying the sufficiency of the escrow established to pay the Bonds in full on the maturity or redemption date (the "Verification"), (ii) an Escrow Deposit Agreement (which shall be acceptable in form and substance to the Insurer), if necessary, (iii) an opinion of nationally recognized bond counsel to the effect that the Bonds are no longer "Outstanding" under the Resolution and (iv) a certificate of discharge of the Paying Agent/Registrar with respect to the Bonds; each Verification or Sufficiency, as applicable, and defeasance opinion shall be acceptable in form and substance, and addressed, to the Authority, Paying Agent/Registrar and Insurer. The Insurer shall be provided with final drafts of the above referenced documentation not less than five business days prior to the funding of the escrow.

Bonds shall be deemed "Outstanding" under the Resolution unless and until they are in fact paid and retired or the above criteria are met.

(k) Amounts paid by the Insurer under the Insurance Policy shall not be deemed paid for purposes of the Resolution and the Bonds relating to such payments shall remain Outstanding and continue to be due and owing until paid by the Authority in accordance with the Resolution. The Resolution shall not be discharged unless all amounts due or to become due to the Insurer, to the extent such amounts are permitted by Texas law to be owing to the Insurer, have been paid in full or duly provided for.

(l) The Authority covenants and agrees to take such action, or to cause the Paying Agent/Registrar to take such action, as is necessary from time to time to preserve the priority of the pledge of the Pledged Revenue under applicable law.

(m) Claims Upon the Insurance Policy and payments by and to the Insurer.

If, on the third Business Day prior to the related scheduled interest payment date or principal payment date ("Payment Date") there is not on deposit with the Paying Agent/Registrar, after making all transfers and deposits required under the Resolution, moneys sufficient to pay the principal of and interest on the Bonds due on such Payment Date, the Paying Agent/Registrar shall give notice to the Insurer and to its designated agent (if any) (the "Insurer's Fiscal Agent") by telephone or telecopy of the amount of such deficiency by 12:00 noon, New York City time, on such Business Day. If, on the second Business Day prior to the related Payment Date, there continues to be a deficiency in the amount available to pay the principal of and interest on the Bonds due on such Payment Date, the Paying Agent/Registrar

shall make a claim under the Insurance Policy and give notice to the Insurer and the Insurer's Fiscal Agent (if any) by telephone of the amount of such deficiency, and the allocation of such deficiency between the amount required to pay interest on the Bonds and the amount required to pay principal of the Bonds, confirmed in writing to the Insurer and the Insurer's Fiscal Agent (if any) by 12:00 noon, New York City time, on such second Business Day by filling in the form of Notice of Claim and Certificate delivered with the Insurance Policy.

The Paying Agent/Registrar shall designate any portion of payment of principal on Bonds paid by the Insurer, whether by virtue of mandatory sinking fund redemption, maturity or other advancement of maturity, on its books as a reduction in the principal amount of Bonds registered to the then current Holder, whether DTC or its nominee or otherwise, and shall issue a replacement Bond to the Insurer, registered in the name of Assured Guaranty Municipal Corp., in a principal amount equal to the amount of principal so paid (without regard to authorized denominations); provided that the Paying Agent/Registrar's failure to so designate any payment or issue any replacement Bond shall have no effect on the amount of principal or interest payable by the Authority on any Bond or the subrogation rights of the Insurer.

The Paying Agent/Registrar shall keep a complete and accurate record of all funds deposited by the Insurer into the Policy Payments Account (defined below) and the allocation of such funds to payment of interest on and principal of any Bond. The Insurer shall have the right to inspect such records at reasonable times upon reasonable notice to the Paying Agent/Registrar.

Upon payment of a claim under the Insurance Policy, the Paying Agent/Registrar shall establish a separate special purpose trust account for the benefit of Holders referred to herein as the "Policy Payments Account" and over which the Paying Agent/Registrar shall have exclusive control and sole right of withdrawal. The Paying Agent/Registrar shall receive any amount paid under the Insurance Policy in trust on behalf of Holders and shall deposit any such amount in the Policy Payments Account and distribute such amount only for purposes of making the payments for which a claim was made. Such amounts shall be disbursed by the Paying Agent/Registrar to Holders in the same manner as principal and interest payments are to be made with respect to the Bonds under the sections hereof regarding payment of Bonds. It shall not be necessary for such payments to be made by checks or wire transfers separate from the check or wire transfer used to pay debt service with other funds available to make such payments. Notwithstanding anything herein to the contrary, the Authority agrees to pay to the Insurer (i) a sum equal to the total of all amounts paid by the Insurer under the Insurance Policy (the "Insurer Advances"); and (ii) to the extent permitted by law and subject to annual appropriation, interest on such Insurer Advances from the date paid by the Insurer until payment thereof in full, payable to the Insurer at the Late Payment Rate per annum (collectively, the "Insurer Reimbursement Amounts"). "Late Payment Rate" means the lesser of (a) the greater of (i) the per annum rate of interest, publicly announced from time to time by JPMorgan Chase Bank at its principal office in The City of New York, as its prime or base lending rate (any change in such rate of interest to be effective on the date

such change is announced by JPMorgan Chase Bank) plus 3%, and (ii) the then applicable highest rate of interest on the Bonds and (b) the maximum rate permissible under applicable usury or similar laws limiting interest rates, including Chapter 1204, Texas Government Code. The Late Payment Rate shall be computed on the basis of the actual number of days elapsed over a year of 360 days. The Authority hereby covenants and agrees that the Insurer Advances are secured by a lien on and pledge of the Pledged Revenue and payable from such Pledged Revenue on a parity with debt service due on the Bonds.

Funds held in the Policy Payments Account shall not be invested by the Paying Agent/Registrar and may not be applied to satisfy any costs, expenses or liabilities of the Paying Agent/Registrar. Any funds remaining in the Policy Payments Account following a Bond payment date shall promptly be remitted to the Insurer.

(n) The Insurer shall, to the extent it makes any payment of principal of or interest on the Bonds, become subrogated to the rights of the recipients of such payments in accordance with the terms of the Insurance Policy (which subrogation rights shall also include the rights of any such recipients in connection with any Insolvency Proceeding). Each obligation of the Authority to the Insurer under the Related Documents shall survive discharge or termination of such Related Documents.

(o) To the extent permitted by law and subject to annual appropriation, the Authority shall pay or reimburse the Insurer any and all charges, fees, costs and expenses that the Insurer may reasonably pay or incur in connection with (i) the administration, enforcement, defense or preservation of any rights or security in any Related Document; (ii) the pursuit of any remedies under the Resolution or any other Related Document or otherwise afforded by law or equity, (iii) any amendment, waiver or other action with respect to, or related to, the Resolution or any other Related Document whether or not executed or completed, or (iv) any litigation or other dispute in connection with the Resolution or any other Related Document or the transactions contemplated thereby, other than costs resulting from the failure of the Insurer to honor its obligations under the Insurance Policy. The Insurer reserves the right to charge a reasonable fee as a condition to executing any amendment, waiver or consent proposed in respect of the Resolution or any other Related Document.

(p) After payment of reasonable expenses of the Paying Agent/Registrar, the application of funds realized upon default shall be applied to the payment of expenses of the Authority or rebate only after the payment of past due and current debt service on the Bonds and amounts required to restore the Reserve Fund to the Required Reserve Fund Amount.

(q) The Insurer shall be entitled to pay principal or interest on the Bonds that shall become Due for Payment but shall be unpaid by reason of Nonpayment by the Authority (as such terms are defined in the Insurance Policy) and any amounts due on the Bonds as a result of acceleration of the maturity thereof in accordance with the Resolution, whether or not the Insurer has received a Notice of Nonpayment (as such terms are defined in the Insurance Policy) or a claim upon the Insurance Policy.

(r) The notice address of the Insurer is: Assured Guaranty Municipal Corp. 1633 Broadway, New York, New York 10019, Attention: Managing Director - Surveillance, Re: Policy No. _____, Telephone: (212) 974-0100; Telecopier: (212) 339-3556. In each case in which notice

or other communication refers to an event of default, then a copy of such notice or other communication shall also be sent to the attention of the General Counsel and shall be marked to indicate "URGENT MATERIAL ENCLOSED."

(s) The Insurer shall be provided with the following information by the Authority or Paying Agent/Registrar, as the case may be:

(1) To the extent not filed with the Municipal Securities Rulemaking Board's Electronic Municipal Market Access system, annual audited financial statements within twelve (12) months after the end of the Authority's fiscal year (together with a certification of the Authority that it is not aware of any default or event of default under the Resolution), and the Authority's annual budget within thirty (30) days after the approval thereof together with such other information, data or reports as the Insurer shall reasonably request from time to time;

(2) Notice of any draw upon the Reserve Fund within two Business Days after knowledge thereof other than (i) withdrawals of amounts in excess of the Required Reserve Fund Amount and (ii) withdrawals in connection with a refunding of Bonds Similarly Secured;

(3) Notice of any default known to the Paying Agent/Registrar or Authority within five Business Days after knowledge thereof;

(4) Prior notice of the advance refunding or redemption of any of the Bonds, including the principal amount, maturities and CUSIP numbers thereof;

(5) Notice of the resignation or removal of the Paying Agent/Registrar and the appointment of, and acceptance of duties by, any successor thereto;

(6) Notice of the commencement of any Insolvency Proceeding;

(7) Notice of the making of any claim in connection with any Insolvency Proceeding seeking the avoidance as a preferential transfer of any payment of principal of, or interest on, the Bonds;

(8) A full original transcript of all proceedings relating to the execution of any amendment, supplement, or waiver to the Related Documents; and

(9) All reports, notices and correspondence to be delivered to Holders under the terms of the Related Documents.

In addition, to the extent that the Authority has entered into a continuing disclosure agreement, covenant or undertaking with respect to the Bonds, all information furnished pursuant to such agreements shall also be provided to the Insurer, simultaneously with the furnishing of such information.

(t) The Insurer shall have the right to receive such additional information as it may reasonably request.

(u) The Authority will permit the Insurer to discuss the affairs, finances and accounts of the Authority or any information the Insurer may reasonably request regarding the security for the Bonds with appropriate officers of the Authority and will use commercially reasonable efforts to enable the Insurer to have access to the facilities, books and records of the Authority on any business day upon reasonable prior notice.

(v) Notwithstanding satisfaction of the other conditions to the issuance of Additional Bonds set forth in the Resolution, no such issuance may occur (1) if an event of default (or any event which, once all notice or grace periods have passed, would constitute an event of default) exists unless such default shall be cured upon such issuance and (2) unless the Reserve Fund is fully funded at the Required Reserve Fund Amount (including the proposed issue) upon the issuance of such Additional Bonds, in either case unless otherwise permitted by the Insurer.

(w) In determining whether any amendment, consent, waiver or other action to be taken, or any failure to take action, under the Resolution would adversely affect the security for the Bonds or the rights of the Holders, the Paying Agent/Registrar shall consider the effect of any such amendment, consent, waiver, action or inaction as if there were no Insurance Policy.

(x) The Authority shall notify the Insurer of any failure of the Authority to provide notices, certificates and other information under the transaction documents.

(y) No contract shall be entered into or any action taken by which the rights of the Insurer or security for or sources of payment of the Bonds may be impaired or prejudiced in any material respect except upon obtaining the prior written consent of the Insurer.

(z) There shall be delivered an opinion of Bond Counsel addressed to the Insurer (or a reliance letter relating thereto), or a certificate of discharge of the Paying Agent for the Refunded Bonds, to the effect that, upon the making of the required deposit to the escrow, the legal defeasance of the Refunded Bonds shall have occurred.

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APPROVED, this June 10, 2021.

GREATER TEXOMA UTILITY AUTHORITY

A handwritten signature in blue ink, consisting of a large, stylized initial 'D' followed by a series of horizontal and diagonal strokes.

General Manager and Pricing Officer

EXHIBIT A

BOND PURCHASE AGREEMENT

GREATER TEXOMA UTILITY AUTHORITY
(Grayson, Collin, Fannin and Cooke Counties, Texas)

\$6,365,000
Contract Revenue Refunding Bonds, Series 2021
(City of Sherman Project)

BOND PURCHASE AGREEMENT

June 10, 2021

Board of Directors
Greater Texoma Utility Authority
5100 Airport Drive
Denison, Texas 75020

City of Sherman, Texas
220 W. Mulberry
Sherman, Texas 75090

Ladies and Gentlemen:

The undersigned, Huntington Securities, Inc. dba Huntington Capital Markets (the "*Underwriter*"), acting on its own behalf and not acting as a fiduciary or agent for the Greater Texoma Utility Authority (the "*Issuer*"), offers to enter into the following agreement (this "*Agreement*") with the Issuer which, upon written acceptance of this offer by a representative authorized by the Issuer's Board of Directors, will be binding upon the Issuer and the Underwriter. This offer is made subject to the Issuer's written acceptance hereof on or before 10:00 p.m., Central Time, on June 10, 2021, and, if not so accepted, will be subject to withdrawal by the Underwriter upon written notice delivered to the Issuer at any time prior to the acceptance hereof by the Issuer. Terms not otherwise defined herein shall have the meanings set forth in the Resolution (as defined herein) or in the Official Statement (as defined herein).

1. *Purchase and Sale of the Bonds.* Subject to the terms and conditions and in reliance upon the representations, warranties and agreements set forth herein, the Underwriter hereby agrees to purchase from the Issuer, and the Issuer hereby agrees to sell and deliver to the Underwriter, all, but not less than all, of the Issuer's \$6,365,000 Contract Revenue Refunding Bonds, Series 2021 (City of Sherman Project) (the "*Bonds*"). The Issuer acknowledges and agrees that (a) the transaction contemplated by this Agreement is an arm's length transaction between the Issuer and the Underwriter; (b) the Underwriter has financial and other interests that differ from those of the Issuer; (c) the Underwriter is acting solely as a principal and is not acting as

a municipal advisor, financial advisor or fiduciary to the Issuer; (d) the Underwriter has not assumed any advisory or fiduciary responsibility to the Issuer with respect to the transaction contemplated hereby and the discussions, undertakings and procedures leading thereto irrespective of whether the Underwriter has provided or is currently providing other services to the Issuer on other matters; and (e) the only obligations the Underwriter has to the Issuer with respect to the transaction contemplated hereby are expressly set forth in this Agreement. In addition, the Underwriter has provided to the Issuer prior disclosures under Rule G-17 of the Municipal Securities Rulemaking Board (the “MSRB”), which the Issuer acknowledges the receipt thereof. The Issuer represents that it has consulted its own financial, municipal, legal, accounting, tax and/or other advisors, as applicable, to the extent it has deemed appropriate.

The principal amount of the Bonds to be issued, the dated date therefor, the maturities, sinking fund and optional redemption provisions and interest rates per annum are set forth in Schedule I hereto. The Bonds shall be as described in, and shall be issued and secured under and pursuant to the provisions of (i) the bond resolution adopted by the Issuer on May 17, 2021 (the “*Bond Resolution*”) and (ii) a pricing certificate (the “*Pricing Certificate*”), dated the date of this Agreement, signed by an authorized representative of the Issuer appointed by the Board of Directors and duly authorized to approve the pricing and terms of sale for the Bonds (collectively, the “*Resolution*”).

The purchase price for the Bonds shall be \$7,642,675.02 (representing the par amount of the Bonds, plus a reoffering premium of \$1,324,543.45, and less an underwriting discount of \$46,868.43).

Delivered to the Issuer herewith is the Underwriter’s good-faith corporate check payable to the order of the Issuer in the amount of \$63,650.00 (the “*Check*”). In the event the Issuer does not accept this offer, the Check shall be promptly returned to the Underwriter. Upon the Issuer’s acceptance and countersignature of this offer, the Check (i) shall not be cashed or negotiated but shall be held and retained in safekeeping by the Issuer as security for the performance by the Underwriter of its obligations, subject to the terms and conditions herein set forth, to purchase and accept delivery of the Bonds at the Closing, and (ii) shall be applied and disposed of by the Issuer solely as provided in this Agreement. In the event of the Underwriter’s compliance with such obligation to purchase and accept delivery of the Bonds at the Closing, the Check shall be returned to the Underwriter at the Closing. In the event of the failure by the Issuer to deliver the Bonds at the Closing, or if the Issuer shall be unable to satisfy the conditions to the obligations of the Underwriter contained in this Agreement, or if the obligations of the Underwriter shall be terminated for any reason permitted by this Agreement, the Check shall be returned promptly to the Underwriter. In the event that the Underwriter fails (other than for a reason permitted hereunder) to purchase and accept delivery of the Bonds at the Closing, the Issuer shall become entitled to cash or negotiate the Check, and the proceeds thereof shall be retained by the Issuer as and for fully liquidated damages for such failure and for any and all defaults on the part of the Underwriter, and (except as set forth in Sections 8 and 10 hereof) no party shall have any further rights against the other hereunder. The

Underwriter and the Issuer understand that in such event the Issuer's actual damages may be greater or may be less than such amount. Accordingly, the Underwriter hereby waives any right to claim that the Issuer's actual damages are less than such amount, and the Issuer's acceptance of this offer shall constitute a waiver of any right the Issuer may have to additional damages from the Underwriter. The Underwriter hereby agrees to not stop or cause payment on the check to be stopped unless the Issuer has breached any of the terms of this Contract and the Underwriter has elected to terminate this Contract pursuant to Section 7 hereof.

The Bonds are to be issued pursuant to the Constitution and general laws of the State of Texas, including Texas Special District Local Laws Code, Chapter 8283, as amended; Chapter 1207, Texas Government Code, as amended; and the Resolution. The Bonds are special obligations of the Issuer payable, both as to principal and interest, solely from and secured by payments to be received by the Issuer from the City of Sherman, Texas (the "*Pledged Revenue*"), which consists of certain of the revenues to be received under the Contract for Water Supply and Sewer Service dated March 1, 1985, as amended (the "*Contract*") between the Issuer and the City of Sherman, Texas (the "*City*"). A portion of the proceeds received by the Issuer from the sale of the Bonds pursuant hereto and certain other funds of the Issuer or the City, if any, shall be deposited with BOKF, NA, Dallas, Texas, as Escrow Agent (the "*Escrow Agent*"), under and pursuant to the escrow agreement (the "*Escrow Agreement*") referred to in the Resolution to provide money which, together with cash balances from time to time on deposit in the Escrow Fund (as defined in the Escrow Agreement) will be sufficient to pay the principal of and interest on the Refunded Bonds (as defined in the Resolution) on the redemption date.

The Underwriter hereby represents and warrants that it is exempt from the requirements of Section 2252.908 of the Texas Government Code, as amended, pursuant to subsection (c)(4) thereof, and, accordingly, the Underwriter is not required to file a Certificate of Interested Parties Form 1295 otherwise prescribed thereunder.

2. *Establishment of Issue Price of Bonds.*

(a) The Underwriters agree to make a bona fide public offering of all of the Bonds and will, at or before Closing, execute and deliver to Norton Rose Fulbright US LLP ("*Bond Counsel*"), an issue price certificate for the Bonds, prepared by Bond Counsel, and in accordance with this Section (the "*Issue Price Certificate*").

(b) Notwithstanding any provision of this Agreement to the contrary, the following provisions related to the establishment of the issue price of the Bonds apply:

(i) "Public" means any person other than an Underwriter or a Related Party.

(ii) “Issue Price Underwriter” means (A) any person that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public and (B) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (A) to participate in the initial sale of the Bonds to the Public (including a member of a selling group or a party to a retail or other third party distribution agreement participating in the initial sale of the Bonds to the Public).

(iii) A purchaser of any of the Bonds is a “Related Party” to an Issue Price Underwriter if the Issue Price Underwriter and the purchaser are subject, directly or indirectly, to (i) more than 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (ii) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (iii) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other).

(iv) “Sale Date” means the date of execution of this Agreement by all parties.

(c) The Underwriter agrees to assist the Issuer in establishing the issue price of the Bonds and shall execute and deliver to the Issuer at Closing the Issue Price Certificate, together with the supporting pricing wires or equivalent communications, substantially in the form attached hereto as Exhibit A, with such modifications as may be appropriate or necessary, in the reasonable judgment of the Underwriter, the Issuer and Bond Counsel, to accurately reflect, as applicable, the sales price or prices or the Initial Offering Price (as hereinafter defined) or prices to the Public of the Bonds. All actions to be taken by the Issuer under this section to establish the issue price of the Bonds may be taken on behalf of the Issuer by the Issuer’s municipal advisor identified herein and any notice or report to be provided to the Issuer may be provided to the Issuer’s municipal advisor.

(d) The Issuer will treat the first price at which 10% of each maturity of the Bonds (the “10% Test”) is sold to the Public as of the Sale Date as the issue price of that maturity. At or promptly after the execution of this Agreement, the Representative shall report to the Issuer the price or prices at which the Underwriter has sold to the Public each maturity of the Bonds. Those maturities of the Bonds that do not satisfy the 10% Test as of the Sale Date will be identified in the Issue Price Certificate and will be subject to the Hold-The-Offering-Price Rule (as hereinafter defined). For purposes of this Section, if

Bonds mature on the same date but have different interest rates, each separate CUSIP number within that maturity will be treated as a separate maturity of the Bonds.

(e) The Underwriter confirms that it has offered the Bonds to the Public on or before the date of this Agreement at the offering price or prices (the “*Initial Offering Price*”), or at the corresponding yield or yields, set forth in Schedule I attached hereto, except as otherwise set forth therein. The Issue Price Certificate will set forth the maturities, if any, of the Bonds for which the 10% Test has not been satisfied as of the Sale Date (the “*Held Maturities*”). The Issuer and the Underwriter agree that the restrictions set forth in the next sentence shall apply to the Held Maturities, which will allow the Issuer to treat the Initial Offering Price to the Public of each such maturity as of the Sale Date as the issue price of that maturity (the “*Hold-The-Offering-Price Rule*”). So long as the Hold-The-Offering-Price Rule remains applicable to any maturity of the Bonds, the Underwriter will neither offer nor sell unsold Bonds of that maturity to any person at a price that is higher than the Initial Offering Price to the Public during the period starting on the Sale Date and ending on the earlier of the following:

- (1) the close of the fifth (5th) business day after the Sale Date; or
- (2) the date on which the Underwriter has sold at least 10% of that maturity of the Bonds to the Public at a price that is no higher than the Initial Offering Price to the Public.

The Underwriter shall promptly advise the Issuer when the Underwriter has sold 10% of that maturity of the Bonds to the Public at a price that is no higher than the Initial Offering Price to the Public, if that occurs prior to the close of the fifth (5th) business day after the Sale Date.

The Issuer acknowledges that, in making the representation set forth in this subparagraph (e), the Underwriter will rely on (i) in the event a selling group has been created in connection with the sale of the Bonds to the Public, the agreement of each dealer who is a member of the selling group to comply with the Hold-the-Price Rule, as set forth in a selling group agreement and the related pricing wires, and (ii) in the event that an Underwriter is a party to a retail or other third party distribution agreement that was employed in connection with the sale of the Bonds, the agreement of each such underwriter, dealer or broker-dealer that is a party to such agreement to comply with the Hold-the-Price Rule, as set forth in the retail or other third party distribution agreement and the related pricing wires. The Issuer further acknowledges that the Underwriter will be solely liable for its failure to comply with its agreement regarding the Hold-the-Price Rule and that no Issue Price Underwriter will be liable for the failure of any other Issue Price Underwriter to comply with its corresponding agreement regarding the Hold-the-Price Rule as applicable to the Bonds.

(f) The Underwriter confirms that:

(i) any selling group agreement and each retail or other third-party distribution agreement relating to the initial sale of the Bonds to the Public, together with the related pricing wires, contains or will contain language obligating each Issue Price Underwriter, each dealer who is a member of the selling group, and each broker-dealer that is a party to any such retail or other third party distribution agreement, as applicable, to (A) to comply with the Hold-The-Offering-Price Rule, if applicable, if and for so long as directed by the Underwriter and as set forth in the related pricing wires, (B) promptly notify the Underwriter of any sales of the Bonds that, to its knowledge, are made to a purchaser who is a Related Party to an Issue Price Underwriter participating in the initial sale of the Bonds to the Public, and (C) acknowledge that, unless otherwise advised by the dealer or broker-dealer, the Underwriter shall assume that each order submitted by the dealer or broker-dealer is a sale to the Public.

(ii) Any selling group agreement relating to the initial sale of the Bonds to the Public, together with the related pricing wires, contains or will contain language obligating each Issue Price Underwriter and each dealer that is a party to a retail or other third party distribution agreement to be employed in connection with the initial sale of the Bonds to the Public to require each broker-dealer that is a party to such retail or other third party distribution agreement to comply with the Hold-The-Offering-Price Rule, if applicable, if and for so long as directed by the Underwriter or the dealer and as set forth in the related pricing wires.

(g) The Underwriter acknowledges that sales of any Bonds to any person that is a Related Party to an Issue Price Underwriter shall not constitute sales to the Public for purposes of this section.

3. *The Official Statement.*

(a) The Issuer previously has delivered, or caused to be delivered, to the Underwriter the Preliminary Official Statement dated June 2, 2021 (the "*Preliminary Official Statement*") in a "designated electronic format," as defined in the MSRB's Rule G-32 ("*Rule G-32*"). The Issuer will prepare, or cause to be prepared, a final Official Statement relating to the Bonds, which will be (i) dated the date of this Agreement, (ii) complete within the meaning of the United States Securities and Exchange Commission's Rule 15c2-12, as amended (the "*Rule*"), (iii) in a "designated electronic format" and (iv) substantially in the form of the most recent version of the Preliminary Official Statement provided to the Underwriter before the execution hereof. Such final Official Statement, including the cover page thereto, all exhibits, schedules, appendices, maps, charts, pictures, diagrams, reports, and statements included or incorporated therein or attached thereto, and all amendments and supplements thereto that may be authorized for use with respect to the Bonds, is herein referred to as the "*Official Statement*." Until the Official Statement has been prepared and is available for distribution, the Issuer shall provide to the Underwriter sufficient quantities (which

may be in electronic format) of the Preliminary Official Statement as the Underwriter deems reasonably necessary to satisfy the obligation of the Underwriter under the Rule with respect to distribution to each potential customer, upon request, of a copy of the Preliminary Official Statement.

(b) The Preliminary Official Statement has been prepared for use by the Underwriter in connection with the public offering, sale and distribution of the Bonds. The Issuer hereby represents and warrants that the Preliminary Official Statement has been deemed “final” by the Issuer within the meaning of the Rule as of its date, except for the omission of such information which is dependent upon the final pricing of the Bonds for completion, all as permitted to be excluded by Section (b)(1) of the Rule.

(c) The Issuer hereby authorizes the Official Statement and the information therein contained to be used by the Underwriter in connection with the public offering and the sale of the Bonds. The Issuer consents to the use by the Underwriter prior to the date hereof of the Preliminary Official Statement in connection with the public offering of the Bonds. The Issuer shall provide, or cause to be provided, to the Underwriter as soon as practicable after the date of the Issuer’s acceptance of this Agreement (but, in any event, not later than within seven (7) business days after the Issuer’s acceptance of this Agreement and in sufficient time to accompany any confirmation that requests payment from any customer) copies of the Official Statement, approved by the Issuer’s Board of Directors or one or more duly authorized officers of the Issuer, which is complete as of the date of its delivery to the Underwriter. The Issuer shall provide the Official Statement, or cause the Official Statement to be provided, (i) in a “designated electronic format” consistent with the requirements of Rule G-32 and (ii) in a printed format in such quantity as the Underwriter shall reasonably request in order for the Underwriter to comply with Section (b)(4) of the Rule and the rules of the MSRB.

(d) If, after the date of this Agreement to and including the date the Underwriter is no longer required to provide an Official Statement to potential customers who request the same pursuant to the Rule (the earlier of (i) ninety (90) days from the “end of the underwriting period” (as defined in the Rule) and (ii) the time when the Official Statement is available to any person from the MSRB, but in no case less than twenty-five (25) days after the “end of the underwriting period” for the Bonds), the Issuer becomes aware of any fact or event which might or would cause the Official Statement, as then supplemented or amended, to contain any untrue statement of a material fact or to omit to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading, or if it is necessary to amend or supplement the Official Statement to comply with law, the Issuer will notify the Underwriter (and for the purposes of this clause provide the Underwriter with such information as it may from time to time reasonably request), and if, in the reasonable opinion of the Underwriter, such fact or event requires preparation and publication of a supplement or

Official Statement, the Issuer will forthwith prepare and furnish, at the Issuer's own expense (in a form and manner approved by the Underwriter, such approval not to be unreasonably withheld), either an amendment or a supplement to the Official Statement so that the statements in the Official Statement as so amended and supplemented will not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading or so that the Official Statement will comply with law; provided, however, that for all purposes of this Agreement and any certificate delivered by the Issuer in accordance herewith, the Issuer makes no representations with respect to the descriptions in the Preliminary Official Statement or the Official Statement of The Depository Trust Company, New York, New York ("DTC"), or its book-entry-only system, or information therein under the caption "OTHER INFORMATION – Underwriting", or information provided by Assured Guaranty Municipal Corp. (the "*Bond Insurer*") under the caption therein entitled "BOND INSURANCE" or its municipal bond insurance policy (the "*Municipal Bond Insurance Policy*"). If such notification shall be subsequent to the Closing, the Issuer shall furnish such legal opinions, certificates, instruments and other documents as the Underwriter may reasonably deem necessary to evidence the truth and accuracy of such supplement or amendment to the Official Statement. The Issuer shall provide any such amendment or supplement, or cause any such amendment or supplement to be provided, (i) in a "designated electronic format" consistent with the requirements of Rule G-32 and (ii) in a printed format in such quantity as the Underwriter shall reasonably request in order for the Underwriter to comply with Section (b)(4) of the Rule and the rules of the MSRB.

(e) The Underwriter hereby agrees to timely file the Official Statement and the Escrow Agreement (defined herein) with MSRB through its Electronic Municipal Market Access ("*EMMA*") system on or before the date of Closing. Unless otherwise notified in writing by the Underwriter, the Issuer can assume that the "end of the underwriting period" for purposes of the Rule is the date of the Closing.

4. Representations and Warranties of the Issuer. The Issuer hereby represents and warrants to and covenants with the Underwriter that:

(a) **Existence; Power; and Authority.** The Issuer is a governmental agency, a political subdivision, and a body politic and corporate of the State of Texas (the "*State*"), duly created, existing, and acting under the provisions of Article XVI, Section 59 of the Constitution and by virtue of Texas Special District Local Laws Code, Chapter 8283, as amended (the "*Act*"), and has full legal right, power and authority under the Act and under Chapter 1207 of the Texas Government Code (i) to enter into this Agreement, (ii) to adopt the Bond Resolution, (iii) to enter into the Escrow Agreement (this Agreement, the Resolution, and the Escrow Agreement are hereinafter referred to as the "Issuer Documents"), (iv) to sell, issue and deliver the Bonds to the Underwriter as

provided herein, and (v) to carry out and consummate all other transactions described in each of the aforesaid documents and the Official Statement;

(b) **Due Authorization.** By official action of the Issuer on May 17, 2021, the Issuer's Board of Directors duly adopted the Bond Resolution (which is unmodified from its date of adoption, except for any medication approved by the Underwriter, and is in full force and effect at the time of the execution hereof) and has duly approved the execution and delivery of this Agreement and the Escrow Agreement, and has authorized the taking of any and all such actions as may be required on the part of the Issuer to carry out, give effect to and consummate the transactions described in this Agreement and the Official Statement;

(c) **No Adverse Actions.** At the time of the Issuer's acceptance of this offer by the execution hereof, there is, and on the date of the Closing there will be, no action, suit, proceeding, inquiry or investigation, at law or in equity, or before or by any court, public board or body, pending or known to be threatened against or affecting the existence of the Issuer or the title of its officials to their respective positions, nor to the knowledge of the Issuer is there any basis therefor, wherein an unfavorable decision, ruling or finding would adversely affect the validity or enforceability of the Resolution, this Agreement, the Escrow Agreement or any agreement or instrument relating thereto, used or contemplated for use in the consummation of the transactions described in the Resolution or this Agreement;

(d) **No Defaults.** Except as may be disclosed in the Official Statement, the Issuer is not, in any material respect which would adversely affect the validity or marketability of the Bonds, in material breach of or default in any material respect under any applicable law or administrative regulation of the State of Texas or any department, division, agency or instrumentality thereof, or of the United States or any agency or instrumentality thereof or any applicable judgment or decree or any loan agreement, note, resolution, certificate, agreement or other instrument to which the Issuer is a party or is otherwise subject; and the execution and delivery of the Resolution, the Escrow Agreement, the Bonds and this Agreement, and compliance with the provisions of each thereof, will not conflict with or constitute a material breach of or default in any material respect under any applicable law or administrative regulation of the State of Texas or any department, division, agency or instrumentality thereof, or of the United States or any agency or instrumentality thereof or any applicable judgment or decree or any loan agreement, note, resolution, certificate, agreement or other instrument to which the Issuer is a party or is otherwise subject;

(e) **Binding Obligations.** This Agreement, the Resolution, and the Escrow Agreement constitute legal, valid and binding obligations of the Issuer enforceable in accordance with their respective terms, subject to governmental immunity of political subdivisions to the extent applicable, bankruptcy, insolvency, reorganization, moratorium and other similar laws and principles of equity relating

to or affecting the enforcement of creditors' rights; the Bonds, when issued, delivered and paid for, in accordance with the Resolution and this Agreement, will constitute legal, valid and binding obligations of the Issuer entitled to the benefits of the Resolution and enforceable in accordance with their terms, subject to governmental immunity of political subdivisions to the extent applicable, bankruptcy, insolvency, reorganization, moratorium and other similar laws and principles of equity relating to or affecting the enforcement of creditors' rights; upon the issuance, authentication and delivery of the Bonds as aforesaid, the Resolution will provide, for the benefit of the holders, from time to time, of the Bonds, the legally valid and binding pledge and lien on the Pledged Revenues it purports to create as set forth in the Resolution;

(f) **All Approvals.** All approvals, consents and orders of any governmental authority, legislative body, board, agency or commission having jurisdiction which would constitute a condition precedent to the performance by the Issuer of its obligations hereunder and under the Resolution, the Escrow Agreement and this Agreement will be obtained prior to Closing, except for such approvals, consents and orders as may be required under the Blue Sky or securities laws of any jurisdiction in connection with the offering and sale of the Bonds;

(g) **Financial Statements.** Excerpts from the financial statements of the Issuer contained in Appendix B to the Official Statement present fairly the financial position of the Issuer as of September 30, 2020, and the results of its operations for its fiscal year then ended, and such statements have been prepared in accordance with the format described therein, and between the date as of which information is given in the Official Statement and the date of the delivery of the Bonds, except as described in the Official Statement, the Issuer has not incurred and will not incur any material long-term liabilities secured by the Pledged Revenues (other than in the ordinary course of business), without the prior written consent of the Underwriter, which consent shall not be unreasonably withheld;

(h) **Prohibition Against Incurring Debt.** Except in the ordinary course of business, between the date of this Agreement and the delivery of the Bonds, the Issuer will not, without the prior written consent of the Underwriter (which consent shall not be unreasonably withheld), issue bonds, certificates, notes or other obligations for borrowed money secured in the same manner as the Bonds;

(i) **Maintaining Tax-Exemption of Interest on the Bonds.** The Issuer will apply, or cause to be applied, the proceeds from the sale of the Bonds as provided in and subject to all of the terms and provisions of the Resolution and will not take or omit to take any action which will adversely affect the exclusion from gross income for federal income tax purposes of the interest on the Bonds;

(j) **Preliminary Official Statement.** As of the date thereof, the Preliminary Official Statement did not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading;

(k) **Official Statement.** At the time of the Issuer's acceptance hereof and (unless the Official Statement is amended or supplemented pursuant to paragraph (d) of Section 3 of this Agreement) at all times subsequent thereto during the period up to and including the date of Closing, the Official Statement does not and will not contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading; provided, however, that if the Issuer notifies the Underwriter of any fact or event as required by Section 3(d) hereof, and the Underwriter determines that such fact or event does not require preparation and publication of a supplement or amendment to the Official Statement, then the Official Statement in its then current form shall be conclusively deemed to be complete and correct in all material respects and the Issuer shall have no further obligation under this section or Section 3(d) with respect to such event; and

(l) **Official Statement Supplement or Amendment.** If the Official Statement is supplemented or amended pursuant to paragraph (d) of Section 3 of this Agreement, at the time of each supplement or amendment thereto and (unless subsequently again supplemented or amended pursuant to such paragraph) at all times subsequent thereto during the period up to and including the date of Closing, the Official Statement as so supplemented or amended will not contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading; provided, however, that if the Issuer notifies the Underwriter of any fact or event as required by Section 3(d) hereof, and the Underwriter determines that such fact or event does not require preparation and publication of a supplement or amendment to the Official Statement, then the Official Statement in its then current form shall be conclusively deemed to be complete and correct in all material respects and the Issuer shall have no further obligation under this section or Section 3(d) with respect to such event.

5. *Closing.*

(a) At 10:00 a.m. Central Time, on July 8, 2021, or at such other time and date as shall have been mutually agreed upon by the Issuer and the Underwriter (the "*Closing*"), the Issuer will, subject to the terms and conditions hereof, deliver the Bonds to BOKF, NA, Dallas, Texas (the "*Paying Agent/Registrar*"), as the entity appointed by the Issuer to take delivery of the Bonds, duly executed and authenticated, together with the other documents hereinafter mentioned, and the Paying Agent/Registrar, as the entity appointed

by the Issuer to take delivery of the Bonds, will, subject to the terms and conditions hereof, accept such delivery and the Underwriter will pay the purchase price of the Bonds as set forth in Section 1 of this Agreement in immediately available funds by wire transfer to the account of the Issuer. Payment for the Bonds as aforesaid shall be made at the offices of *Paying Agent/Registrar*, or such other place as shall have been mutually agreed upon by the Issuer and the Underwriter.

(b) Delivery of the Bonds in definitive form shall be made through DTC, utilizing the book-entry only form of issuance, and the Issuer, if it has not done so previously, agrees to enter into such agreement, including a "Letter of Representations," as may be required to allow for the use of such book-entry only system. The definitive Bonds shall be delivered in fully registered form, bearing CUSIP numbers without coupons, with one certificate for each maturity of the Bonds, registered in the name of Cede & Co., and shall be made available to the Underwriter at least one (1) business day before Closing for purposes of inspection (i) at DTC or (ii) at the Paying Agent/Registrar, if the definitive Bonds are to be held in safekeeping for DTC by the Paying Agent/Registrar pursuant to DTC's FAST System.

6. Closing Conditions. The Underwriter has entered into this Agreement in reliance upon the representations, warranties and agreements of the Issuer contained herein, and in reliance upon the representations, warranties and agreements to be contained in the documents and instruments to be delivered at the Closing and upon the performance by the Issuer of its obligations hereunder, both as of the date hereof and as of the date of the Closing. Accordingly, the Underwriter's obligations under this Agreement to purchase, to accept delivery of and to pay for the Bonds shall be conditioned upon the performance by the Issuer of its obligations to be performed hereunder and under such documents and instruments at or prior to the Closing, and shall also be subject to the following additional conditions, including the delivery by the Issuer of such documents as are enumerated herein, in form and substance reasonably satisfactory to the Underwriter, unless waived in writing by the Underwriter:

(a) The representations and warranties of the Issuer contained herein shall be true, complete and correct in all material respects on the date hereof and on and as of the date of the Closing, as if made on the date of the Closing;

(b) The Issuer and the City shall have performed and complied with all agreements and conditions required by this Agreement to be performed or complied with by them prior to or at the Closing;

(c) At the time of the Closing, (i) the Resolution, the Official Statement and all related actions of the Issuer with respect to the issuance of the Bonds shall be in full force and effect and shall not have been amended, modified or supplemented, except as may be required by the Attorney General of Texas or except as may have been agreed to by the Underwriter; and (ii) all actions of the Issuer and the City required to be taken by the Issuer and the City, respectively,

shall be performed in order for Bond Counsel and counsel to the Underwriter to deliver their respective opinions referred to hereafter;

(d) At the time of the Closing, all official action of the Issuer relating to the Bonds and the Issuer Documents shall be in full force and effect and shall not have been amended, modified or supplemented except as may have been approved by the Underwriter;

(e) At or prior to the Closing, the Bond Resolution shall have been duly executed and delivered by the Issuer and the Issuer shall have duly executed and delivered and the Paying Agent/Registrar shall have duly authenticated the definitive Bonds;

(f) At or prior to the Closing, the Municipal Bond Insurance Policy issued by the Bond Insurer shall have been duly executed, issued and delivered by the Bond Insurer;

(g) At the time of the Closing, there shall not have occurred any change or any development involving a prospective change in the condition, financial or otherwise, or in the revenues or operations of the Issuer, from that set forth in the Official Statement that in the reasonable judgment of the Underwriter is material and adverse and that makes it, in the reasonable judgment of the Underwriter, impracticable to market the Bonds on the terms and in the manner contemplated in the Official Statement;

(h) Except as disclosed in the Official Statement, the Issuer shall not have failed to pay principal or interest when due on any of its outstanding obligations for borrowed money;

(i) All steps to be taken and all instruments and other documents to be executed, and all other legal matters in connection with the transactions contemplated by this Agreement shall be reasonably satisfactory in legal form and effect to the Underwriter;

(j) At or prior to the Closing, the Underwriter shall have received at least one copy of each of the following documents:

(1) The Official Statement, and each supplement or amendment thereto, if any, as may have been agreed to by the Underwriter;

(2) A copy of the Bond Resolution, certified as having been duly adopted and in full force and effect, and the Pricing Certificate, each with such supplements or amendments as may have been agreed to by the Underwriter;

(3) The undertaking of the Issuer which satisfies the requirements of section (b)(5)(i) of the Rule (the "*Continuing Disclosure Undertaking*");

(4) An executed copy of the Contract, certified by the Issuer as being in full force and effect, with such supplements or amendments as may be agreed to by the Underwriter;

(5) An executed copy of the City Resolution (as defined in the Official Statement), certified by the City as being in full force and effect;

(6) The fully executed Escrow Agreement;

(7) The approving opinion Bond Counsel, dated as of the date of the Closing, in form and substance as described in the Official Statement;

(8) A supplemental opinion of Bond Counsel addressed to the Underwriter, dated as of the date of the Closing, substantially to the effect that:

(i) the Bond Resolution has been duly adopted by the Issuer and the Pricing Certificate has been duly executed by the Pricing Officer pursuant to the Bond Resolution, and both of the foregoing documents are in full force and effect;

(ii) the Bonds are exempted securities under the Securities Act of 1933, as amended (the “1933 Act”), and the Trust Indenture Act of 1939, as amended (the “Trust Indenture Act”), and it is not necessary, in connection with the offering and sale of the Bonds, to register the Bonds under the 1933 Act or to qualify the Resolution under the Trust Indenture Act; and

(iii) such firm was not requested to participate, and did not take part, in the preparation of the Official Statement, and such firm has not assumed any responsibility with respect thereto or undertaken independently to verify any of the information contained therein, except that, in its capacity as Bond Counsel, such firm has reviewed the statements and information contained in the Official Statement under the captions and subcaptions “PLAN OF FINANCING - Refunded Bonds,” “THE BONDS” (exclusive of subcaptions “Book-Entry-Only System” and “Bondholders’ Remedies”), “THE CONTRACT,” “SELECTED PROVISIONS OF THE BOND RESOLUTION,” “TAX MATTERS,” “CONTINUING DISCLOSURE OF INFORMATION” (with the exception of the information set forth under the subcaption “Compliance with Prior Undertakings”), “OTHER INFORMATION – Registration and Qualification of Bonds for Sale,” “OTHER INFORMATION – Legal Opinions” (excluding the last sentence of the first paragraph thereof) and “OTHER INFORMATION – Legal Investments and Eligibility to Secure Public Funds in Texas” and such firm is of the opinion that the information relating to the Bonds and legal matters

contained under such captions and subcaptions is an accurate and fair description of the laws and legal issues addressed therein and, with respect to the Bonds, such information conforms to the Resolution;

(9) The opinion, dated as of the date of the Closing and addressed to the Underwriter, of counsel for the Underwriter, to the effect that:

(i) the Bonds are exempt securities under the 1933 Act and the Trust Indenture Act and it is not necessary, in connection with the offering and sale of the Bonds, to register the Bonds under the 1933 Act and the Bond Resolution need not be qualified under the Trust Indenture Act; and

(ii) based upon their participation in the preparation of the Official Statement as counsel for the Underwriter and their participation at conferences at which the Official Statement was discussed, but without having undertaken to determine independently the accuracy, completeness or fairness of the statements contained in the Official Statement, such counsel has no reason to believe that the Official Statement contains any untrue statement of a material fact or omits to state a material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading (except for any financial, forecast, technical and statistical statements and data included in the Official Statement and the information regarding DTC and its book-entry system and the information regarding the Bond Insurer, in each case as to which no view need be expressed);

(10) A certificate, dated as of date of the Closing, of an appropriate official of the Issuer to the effect that (i) the representations and warranties of the Issuer contained herein are true and correct in all material respects on and as of the date of Closing as if made on the date of Closing; (ii) no litigation, proceeding or tax challenge against the Issuer is pending or, to his or her knowledge, threatened in any court or administrative body nor is there a basis for litigation which would (a) contest the right of the members or officials of the Issuer to hold and exercise their respective positions, (b) contest the due organization and valid existence of the Issuer, (c) contest the validity, due authorization and execution of the Bonds or the Issuer Documents or (d) attempt to limit, enjoin or otherwise restrict or prevent the Issuer from functioning and collecting revenues from the City, including for payments on the Bonds, pursuant to the Resolution, and the collection of the revenues pledged to pay the principal of and interest on the Bonds, or the pledge thereof, or in any way contesting or affecting the validity or enforceability of this

Agreement, or contesting in any way the completeness or accuracy of the information regarding the Issuer contained in the Preliminary Official Statement or the Official Statement, or contesting the powers of the Issuer or its authority with respect to this Agreement; (iii) all official action of the Issuer relating to the Official Statement, the Bonds and the Issuer Documents have been duly taken by the Issuer or any appropriate official of the Issuer, are in full force and effect and have not been modified, amended, supplemented or repealed; (iv) to his or her knowledge, no event affecting the Issuer has occurred since the date of the Official Statement which it is necessary to disclose therein in order to make the statements and information therein, in light of the circumstances under which made, not misleading in any material respect as of the time of Closing, and the information contained in the Official Statement is correct in all material respects and, as of the date of the Official Statement did not, and as of the date of the Closing does not, contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements made therein, in the light of the circumstances under which they were made, not misleading; and (v) there has not been any material adverse change in the financial condition of the Issuer since September 30, 2020, the latest date as of which audited financial information is available;

(11) A certificate, dated the date of the Closing, of an appropriate official of the City to the effect that (i) no litigation or proceeding against the City is pending or, to his or her knowledge, threatened in any court or administrative body nor is there a basis for litigation which would (A) contest the title of the present members of the governing body of the City and officers of the City to their respective offices, (B) contest the due organization and valid existence of the City, (C) adversely affect or contest the validity, due authorization, execution or performance of the waterworks and sewer system of the City (the "System"), or (D) attempt to limit, enjoin or otherwise restrict or prevent the City from functioning and collecting revenues for the purpose of making payments under the Contract, or the anticipated receipt of such revenues; (ii) the System condensed operating statement contained in the Official Statement fairly and accurately presents a condensed version of the operating position of the System as of the dates and for the periods therein set forth, and there has not been a material adverse change in such condensed operating statement of the City since September 30, 2020, the latest date as of which such condensed operating statement for the City is available; (iii) except as set forth in the Official Statement, the City is in compliance with its obligation to provide certain operating and financial information pursuant to the City's continuing disclosure agreement, as set forth in the City Resolution;

(12) A certificate signed by an authorized official of the Issuer that sets forth facts, estimates and circumstances in existence on the date of the Closing, which facts, estimates and circumstances shall be sufficiently

set forth therein to support the conclusion that it is not expected that the proceeds of the Bonds will be used in a manner or that the Issuer will take any action or omit to take any action that would cause the Bonds to be "arbitrage bonds", within the meaning of the Internal Revenue Code of 1986, as amended (the "*Code*"), and the regulations, temporary regulations and proposed regulations promulgated under the Code;

(13) Any other certificates and opinions required by the Bond Resolution for the issuance thereunder of the Bonds;

(14) The approving opinion of the Attorney General of the State of Texas with respect to the Bonds and the registration certificate of the Comptroller of Public Accounts of the State of Texas in respect of the Bonds;

(15) Evidence satisfactory to the Underwriter that the Bonds have been rated "AA"/"A+" (enhanced/unenhanced) by S&P Global Ratings, the enhanced rating in reliance upon the issuance of the Municipal Bond Insurance Policy by the Bond Insurer, and that such rating is in effect as of the date of the Closing;

(16) A sufficiency certificate of the financial advisor to the Issuer certifying as to the sufficiency of the amount initially deposited to pay the principal and interest on the Refunded Bonds;

(17) A copy of the Municipal Bond Insurance Policy together with an opinion of counsel to the Bond Insurer in form and substance satisfactory to the Underwriter;

(18) A certificate of the Bond Insurer with respect to the accuracy of statements contained in the Official Statement regarding the Municipal Bond Insurance Policy and the Bond Insurer and the due authorization execution issuance and delivery of the Municipal Bond Insurance Policy; and

(19) Such additional legal opinions, certificates, instruments and other documents as the Underwriter or counsel to the Underwriter may reasonably request to evidence the truth and accuracy, as of the date hereof and as of the date of the Closing, of the Issuer's representations and warranties contained herein and of the statements and information contained in the Official Statement and the due performance or satisfaction by the Issuer on or prior to the date of the Closing of all the respective agreements then to be performed and conditions then to be satisfied by the Issuer.

If the Issuer shall be unable to satisfy the conditions to the obligations of the Underwriter to purchase, to accept delivery of and to pay for the Bonds contained in this Agreement, or if the obligations of the Underwriter to purchase, to accept delivery of and

to pay for the Bonds shall be terminated for any reason permitted by this Agreement, this Agreement shall terminate and neither the Underwriter nor the Issuer shall be under any further obligation hereunder, except that the respective obligations of the Issuer and the Underwriter set forth in Sections 1 (with respect to the Check) 4 and 8 hereof shall continue in full force and effect.

7. Termination. The Underwriter shall have the right to cancel its obligation to purchase the Bonds if (as evidenced by a written notice to the Issuer terminating the obligation of the Underwriter to accept delivery of and pay for the Bonds) between the date of this Agreement and the Closing, the market price or marketability of the Bonds, or the ability of the Underwriter to enforce contracts for the sale of Bonds, shall be materially adversely affected, in the reasonable judgment of the Underwriter, by the occurrence of any one of the following events:

(a) legislation shall be enacted by or introduced in the Congress of the United States or recommended to the Congress for passage by the President of the United States, or the Treasury Department of the United States or the Internal Revenue Service or favorably reported for passage to either Chamber of the Congress by any committee of such Chamber to which such legislation has been referred for consideration, a decision by a court of the United States or of the State or the United States Tax Court shall be rendered, or an order, ruling, regulation (final, temporary or proposed), press release, statement or other form of notice by or on behalf of the Treasury Department of the United States, the Internal Revenue Service or other governmental agency shall be made or proposed, the effect of any or all of which would be to impose, directly or indirectly, federal income taxation upon interest received on obligations of the general character of the Bonds or the interest on the Bonds as described in the Official Statement, or other action or events shall have transpired which may have the purpose or effect, directly or indirectly, of changing the federal income tax consequences of any of the transactions described herein;

(b) legislation introduced in or enacted (or resolution passed) by the Congress or an order, decree or injunction issued by any court of competent jurisdiction, or an order, ruling, regulation (final, temporary, or proposed), press release or other form of notice issued or made by or on behalf of the Securities and Exchange Commission, or any other governmental agency having jurisdiction of the subject matter, to the effect that obligations of the general character of the Bonds, including any or all underlying arrangements, are not exempt from registration under or other requirements of the 1933 Act or the Securities Exchange Act of 1934, as amended and then in effect, or that the Resolution is not exempt from qualification under or other requirements of the Trust Indenture Act, or that the issuance, offering, or sale of obligations of the general character of the Bonds, including any or all underlying arrangements, as described herein or in the Official Statement or otherwise, is or would be in violation of any provision of the federal securities laws as amended and then in effect;

(c) any state blue sky or securities commission or other governmental agency or body in any state in which more than 15% of the Bonds have been sold shall have withheld registration, exemption or clearance of the offering of the Bonds as described herein, or issued a stop order or similar ruling relating thereto;

(d) a general suspension of trading in securities on the New York Stock Exchange, the establishment of minimum prices on such exchange, the establishment of material restrictions (not in force as of the date hereof) upon trading securities generally by any governmental authority or any national securities exchange, a general banking moratorium declared by federal, State of New York, or State officials authorized to do so;

(e) the New York Stock Exchange or other United States national securities exchange or any governmental authority shall impose, as to the Bonds or as to obligations of the general character of the Bonds, any material restrictions not now in force, or increase materially those now in force, with respect to the extension of credit by, or the charge to the net capital requirements of, the Underwriter, which change shall occur subsequent to the date of this Agreement and shall not be due to the malfeasance, misfeasance or nonfeasance of the Underwriter;

(f) any amendment to the federal or State Constitution or action by any federal or State court, legislative body, regulatory body, or other authority materially adversely affecting the tax status of the Issuer, its property, income, securities (or interest thereon), or the validity or enforceability of the collection of the Pledged Revenue to pay principal of and interest on the Bonds;

(g) any event occurring, or information becoming known which, in the reasonable judgment of the Underwriter, makes untrue in any material respect any material statement or information contained in the Official Statement, or has the effect that the Official Statement contains any untrue statement of material fact or omits to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading;

(h) there shall have occurred since the date of this Agreement any materially adverse change in the affairs or financial condition of the Issuer, except for changes which the Official Statement discloses are expected to occur;

(i) there shall have occurred (whether or not foreseeable) any (i) new material outbreak of hostilities involving the United States (including, without limitation, an act of terrorism) or (ii) new material national or international calamity or crisis including, but not limited to, an escalation in the scope or magnitude of any pandemic or natural disaster, or (iii) material financial crisis or adverse change in the financial or economic conditions affecting the United States government or the securities markets in the United States;

(j) any fact or event shall exist or have existed that, in the Underwriter's reasonable judgment, requires or has required an amendment of or supplement to the Official Statement;

(k) there shall have occurred or any published notice shall have been given of any intended review for possible downgrade, downgrading, suspension, withdrawal, or negative change in credit watch status by any national rating service to any of the Issuer's obligations that are secured in a like manner as the Bonds (including the ratings to be accorded to the Bonds) or any rating on the Bond Insurer; and

(l) the purchase of and payment for the Bonds by the Underwriter, or the resale of the Bonds by the Underwriter, on the terms and conditions herein provided shall be prohibited by any applicable law, governmental authority, board, agency or commission; provided, however, that such prohibition occurs after the date of this Agreement and is not caused by the action, or failure to act, of the Underwriter.

With respect to the conditions described in subparagraphs (e) and (l) above, the Underwriter is not aware of any current, pending or proposed law or government inquiry or investigation as of the date of execution of this Agreement which would permit the Underwriter to invoke its termination rights thereunder.

8. Expenses.

(a) The Underwriter shall be under no obligation to pay, and the Issuer shall pay, any expenses incident to the performance of the Issuer's obligations hereunder, including, but not limited to (i) the cost of preparation and printing of the Bonds, (ii) the fees and disbursements of Bond Counsel and any other counsel to the Issuer; (iii) the fees and disbursements of any other engineers, accountants, and other experts, consultants or advisers retained by the Issuer; (iv) the fees for bond ratings and municipal bond insurance, if any; (v) the costs of preparing, printing and mailing the Preliminary Official Statement and the Official Statement; (vi) the fees and expenses of the Paying Agent/Registrar and other paying agents, if any, for the Refunded Bonds; (vii) publication expenses, if any, in connection with the redemption of the Refunded Bonds; (viii) advertising expenses (except any advertising expenses of the Underwriter as set forth below); (ix) the out-of-pocket, miscellaneous and closing expenses, including the cost of travel, of the officers and officials of the Issuer; (x) the Attorney General's review fee; and (xi) any other expenses mutually agreed to by the Issuer and the Underwriter to be reasonably considered expenses of the Issuer which are incident to the transactions described herein.

(b) The Underwriter shall pay (i) the cost of preparation and printing of this Agreement, the Blue Sky Survey and Legal Investment Memorandum, if any; (ii) all advertising expenses in connection with the public offering of the Bonds; and (iii) all other expenses incurred by it in connection with the public offering of

the Bonds, including the fees and disbursements of counsel retained by the Underwriter.

(c) The Issuer acknowledges that it has had an opportunity, in consultation with such advisors as it may deem appropriate, if any, to evaluate and consider the fees and expenses being incurred as part of the issuance of the Bonds.

(d) The Issuer acknowledges that the Underwriter will pay from its expense allocation of the underwriting discount the applicable per bond assessment charged by the Municipal Advisory Council of Texas, a non-profit corporation whose purpose is to collect, maintain and distribute information relating to issuing entities of municipal securities. An employee of the Underwriter serves on the Board of Trustees of the MAC.

9. Notices. Any notice or other communication to be given to the Issuer under this Agreement may be given by delivering the same in writing to the Issuer: Greater Texoma Utility Authority, 5100 Airport Drive, Denison, Texas 75020, Attention: President, Board of Directors; and any notice or other communication to be given to the Underwriter under this Agreement may be given by delivering the same in writing to Huntington Capital Markets, 4545 Post Oak Place, Suite 215, Houston, Texas 77027, Attention: Ryan O'Hara.

10. Parties in Interest. This Agreement as heretofore specified shall constitute the entire agreement between us and is made solely for the benefit of the Issuer and the Underwriter (including successors or assigns of the Underwriter) and no other person shall acquire or have any right hereunder or by virtue hereof. This Agreement may not be assigned by the Issuer. All of the Issuer's representations and warranties contained in this Agreement shall remain operative and in full force and effect, regardless of (i) any investigations made by or on behalf of the Underwriter; (ii) delivery of and payment for the Bonds pursuant to this Agreement; and (iii) any termination of this Agreement.

11. Effectiveness. This Agreement shall become effective upon the acceptance hereof by the Issuer and shall be valid and enforceable at the time of such acceptance.

12. Choice of Law. This Agreement shall be governed by and construed in accordance with the laws of the State.

13. Severability. If any provision of this Agreement shall be held or deemed to be or shall, in fact, be invalid, inoperative or unenforceable as applied in any particular case in any jurisdiction or jurisdictions, or in all jurisdictions because it conflicts with any provision or provisions of any constitution, statute, rule of public policy, or any other reason, such circumstances shall not have the effect of rendering the provision in question invalid, inoperative or unenforceable in any other case or

circumstance, or of rendering any other provision or provisions of this Agreement invalid, inoperative or unenforceable to any extent whatsoever.

14. Business Day. For purposes of this Agreement, “business day” means any day on which the New York Stock Exchange is open for trading.

15. Section Headings. Section headings have been inserted in this Agreement as a matter of convenience of reference only, and it is agreed that such section headings are not a part of this Agreement and will not be used in the interpretation of any provisions of this Agreement.

16. Counterparts. This Agreement may be executed in several counterparts each of which shall be regarded as an original (with the same effect as if the signatures thereto and hereto were upon the same document) and all of which shall constitute one and the same document.

17. No Personal Liability. None of the members of the Board of Directors, nor any officer, agent, or employee of the Issuer or of the City, shall be charged personally by the Underwriter with any liability, or be held liable to the Underwriter under any term or provision of this Agreement or any other document relating to the Bonds, or because of execution or attempted execution, or because of any breach or attempted or alleged breach, of this Agreement or any other document relating to the Bonds.

18. No Boycott of Israel. The Underwriter hereby verifies that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not boycott Israel and, to the extent this Agreement is a contract for goods or services, will not boycott Israel during the term of this Agreement. The foregoing verification is made solely to comply with Section 2271.002, Texas Government Code, and to the extent such Section does not contravene applicable State or Federal law. As used in the foregoing verification, ‘boycott Israel’ means refusing to deal with, terminating business activities with, or otherwise taking any action that is intended to penalize, inflict economic harm on, or limit commercial relations specifically with Israel, or with a person or entity doing business in Israel or in an Israeli-controlled territory, but does not include an action made for ordinary business purposes. The Underwriter understands ‘affiliate’ to mean an entity that controls, is controlled by, or is under common control with the Underwriter and exists to make a profit.

19. No Terrorist Organization. The Underwriter represents that neither it nor any of its parent company, wholly- or majority-owned subsidiaries, and other affiliates is a company identified on a list prepared and maintained by the Texas Comptroller of Public Accounts under Section 2252.153 or Section 2270.0201, Texas Government Code, and posted on any of the following pages of such officer's internet website:

<https://comptroller.texas.gov/purchasing/docs/sudan-list.pdf>,
<https://comptroller.texas.gov/purchasing/docs/iran-list.pdf>, or
<https://comptroller.texas.gov/purchasing/docs/fto-list.pdf>.

The foregoing representation is made solely to comply with Section 2252.152, Texas Government Code, and to the extent such Section does not contravene applicable Federal law and excludes the Underwriter and each of its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, that the United States government has affirmatively declared to be excluded from its federal sanctions regime relating to Sudan or Iran or any federal sanctions regime relating to a foreign terrorist organization. The Underwriter understands "affiliate" to mean any entity that controls, is controlled by, or is under common control with the Underwriter and exists to make a profit.

[Execution Page Follows]

If you agree with the foregoing, please sign the enclosed counterpart of this Agreement and return it to the Underwriter. This Agreement shall become a binding agreement between the Issuer and the Underwriter when at least the counterpart of this Agreement shall have been signed by or on behalf of each of the parties hereto.

Respectfully submitted,

HUNTINGTON SECURITIES, INC.

By: _____
Name: _____
Title: _____

Accepted this _____, 2021 at _____ a.m./p.m., Central Time

GREATER TEXOMA UTILITY AUTHORITY

By: _____
Name: _____
Title: _____

Schedule I – Schedule of Terms

Exhibit A - Form of Issue Price Certificate

SCHEDULE I

\$6,365,000

Greater Texoma Utility Authority

Contract Revenue Refunding Bonds, Series 2021 (City of Sherman Project)

Interest accrues from: Date of Initial Delivery

<u>Maturity (Oct. 1)</u>	<u>Principal</u>	<u>Interest Rate</u>	<u>Initial Reoffering Yield ^(a)</u>
2022	\$425,000	5.00%	0.19%
2023	450,000	5.00%	0.33%
2024	480,000	5.00%	0.45%
2025	510,000	5.00%	0.62%
2026	535,000	5.00%	0.77%
2027	565,000	5.00%	0.93%
2028	600,000	5.00%	1.06%
2029	645,000	5.00%	1.19%
2030	680,000	5.00%	1.29%
2031 ^(b)	710,000	4.00%	1.34% ^(c)
2032 ^(b)	585,000	3.00%	1.52% ^(c)
2033 ^(b)	180,000	3.00%	1.56% ^(c)

^(a) The initial reoffering prices or yields of the Bonds are furnished by the Underwriter and represent the initial offering prices or yields to the public, which may be changed by the Underwriter at any time.

^(b) The Issuer reserves the right, at its option, to redeem Bonds having stated maturities on and after October 1, 2031, in whole or from time to time in part in principal amounts of \$5,000 or any integral multiple thereof, on October 1, 2030, or any date thereafter, at the par value thereof plus accrued interest to the date of redemption.

^(c) Priced to call.

EXHIBIT A

FORM OF ISSUE PRICE CERTIFICATE

\$6,365,000 Greater Texoma Utility Authority Contract Revenue Refunding Bonds, Series 2021 (City of Sherman Project)

The undersigned, on behalf of Huntington Securities, Inc. dba Huntington Capital Markets (the “Purchaser”), hereby certifies as set forth below with respect to the sale and issuance of the above-captioned obligations (the “Bonds”) of the Greater Texoma Utility Authority (the “Issuer”):

1. ***Sale of the General Rule Maturities.*** As of the date of this certificate, for each Maturity of the General Rule Maturities, the first price at which at least 10% of such Maturity was sold to the Public is the respective price listed in Schedule A.

2. ***Initial Offering Price of the Hold-the-Offering-Price Maturities.***

(a) The Purchaser offered the Hold-the-Offering-Price Maturities to the Public for purchase at the respective initial offering prices listed in Schedule A (the “Initial Offering Prices”) on or before the Sale Date. A copy of the pricing wire or equivalent communication for the Bonds is attached to this certificate as Schedule B.

(b) As set forth in the Bond Purchase Agreement, the Purchaser agreed in writing on or prior to the Sale Date that, (i) for each Maturity of the Hold-the-Offering-Price Maturities, it would neither offer nor sell any of the Bonds of such Maturity to any person at a price that is higher than the Initial Offering Price for such Maturity during the Holding Period for such Maturity (the “hold-the-offering-price rule”), and (ii) any selling group agreement shall contain the agreement of each dealer who is a member of the selling group, and any retail distribution agreement shall contain the agreement of each broker-dealer who is a party to the retail distribution agreement, to comply with the hold-the-offering-price rule. Pursuant to such agreement, no Underwriter (as defined below) offered or sold any Maturity of the Hold-the-Offering-Price Maturities at a price that is higher than the respective Initial Offering Price for that Maturity of the Bonds during the Holding Period.

3. ***Defined Terms.***

(a) *General Rule Maturities* means those Maturities of the Bonds listed in Schedule A hereto as the “General Rule Maturities.”

(b) *Hold-the-Offering-Price Maturities* means those Maturities of the Bonds listed in Schedule A hereto as the “Hold-the-Offering-Price Maturities.”

(c) *Holding Period* means, with respect to a Hold-the-Offering-Price Maturity, the period starting on the Sale Date and ending on the earlier of (i) the close of the fifth business day after the Sale Date, or (ii) the date on which the Purchaser sold at least

10% of such Hold-the-Offering-Price Maturity to the Public at prices that are no higher than the Initial Offering Price for such Hold-the-Offering-Price Maturity.

(d) *Maturity* means Bonds with the same credit and payment terms. Bonds with different maturity dates, or Bonds with the same maturity date but different stated interest rates, are treated as separate maturities.

(e) *Public* means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a related party to an Underwriter. The term “related party” for purposes of this certificate generally means any two or more persons who have greater than 50 percent common ownership, directly or indirectly.

(f) *Sale Date* means the first day on which there is a binding contract in writing for the sale of a Maturity of the Bonds. The Sale Date of the Bonds is June 10, 2021.

(g) *Underwriter* means (i) any person that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Bonds to the Public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the Public).

The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents the Purchaser’s interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. The undersigned understands that the foregoing information will be relied upon by the Issuer with respect to certain of the representations set forth in the Certificate as to Tax Exemption with respect to the Bonds and with respect to compliance with the federal income tax rules affecting the Bonds, and by Norton Rose Fulbright US LLP in connection with rendering its opinion that the interest on the Bonds is excluded from gross income for federal income tax purposes, the preparation of the Internal Revenue Service Form 8038-G, and other federal income tax advice that it may give to the Issuer from time to time relating to the Bonds. Notwithstanding anything set forth herein, the Purchaser is not engaged in the practice of law. Accordingly, the Purchaser makes no representation as to the legal sufficiency of the factual matters set forth herein.

[Signature Page Follows]

EXECUTED and DELIVERED as of this _____, 2021.

HUNTINGTON SECURITIES, INC., as
Purchaser

By: _____

Name: _____

SCHEDULE A

SALE PRICES OF THE GENERAL RULE MATURITIES AND INITIAL OFFERING PRICES OF THE HOLD-THE-MATURITY-OFFERING-PRICE MATURITIES

SCHEDULE B

PRICING WIRE OR EQUIVALENT COMMUNICATION

(Attached)

EXHIBIT B

FORM OF BONDS

A. Form of Definitive Bonds.

REGISTERED
NO. _____

REGISTERED
\$ _____

UNITED STATES OF AMERICA
STATE OF TEXAS
COUNTIES OF GRAYSON, COLLIN, FANNIN AND COOKE
GREATER TEXOMA UTILITY AUTHORITY
CONTRACT REVENUE REFUNDING BONDS, SERIES 2021
(CITY OF SHERMAN PROJECT)

Bond Date:	Interest Rate:	Stated Maturity:	CUSIP NO.	Delivery Date:
July 8, 2021	_____ %	October 1, 20__	_____	July 8, 2021

Registered Owner: CEDE & CO.

Principal Amount: _____ DOLLARS

The Greater Texoma Utility Authority (hereinafter referred to as the "Authority"), for value received, hereby promises to pay to the Registered Owner named above (the "Holder") or the registered assigns thereof, solely from the revenues hereinafter identified, on the Stated Maturity date specified above, the Principal Amount hereinabove stated and to pay interest on the unpaid principal amount hereof from the interest payment date next preceding the "Registration Date" of this Bond appearing below (unless this Bond bears a "Registration Date" as of an interest payment date, in which case it shall bear interest from such date, or unless the "Registration Date" of this Bond is the delivery date of this Bond (or its Predecessor Bond) to the initial Holder, in which case it shall bear interest from the Delivery Date) at the per annum rate of interest specified above computed on the basis of a 360-day year of twelve 30-day months; such interest being payable on October 1, 2021, and each April 1 and October 1 thereafter until maturity or prior redemption. Principal of this Bond is payable at its Stated Maturity or date of redemption to the Holder hereof, upon presentation and surrender, at the Designated Payment/Transfer Office of BOKF, NA, Dallas, Texas, the Paying Agent/Registrar, or its successor. Interest is payable to the Holder of this Bond (or one or more Predecessor Bonds, as defined in the Resolution hereinafter referenced) whose name appears on the "Security Register" maintained by the Paying Agent/Registrar at the close of business on the "Record Date", which is the fifteenth (15th) day of the month next preceding each interest payment date, and interest shall be paid by the Paying Agent/Registrar by check sent United States Mail, first class postage prepaid, to the address of the Holder recorded in the Security Register or by such other method acceptable to the Paying Agent/Registrar, requested by, and at the risk and expense of the Holder. All payments of principal of, premium, if any, and interest on this Bond shall be in any coin or currency of the United States of America, which at the time of payment is legal tender for the payment of public and private debts.

If the date for payment of the principal of or interest on this Bond shall be a Saturday, Sunday, a legal holiday, or a day on which banking institutions in the city where the Designated Payment/Transfer Office of the Paying Agent/Registrar is located are authorized by law or

executive order to close, then the date for such payment shall be the next succeeding day which is not such a Saturday, Sunday, legal holiday, or day on which banking institutions are authorized to close; and payment on such date shall have the same force and effect as if made on the original date payment was due.

This Bond is one of the series specified in its title issued in the aggregate principal amount of \$6,365,000 (herein referred to as the "Bonds") for the purpose of providing funds for the discharge and final payment of the Refunded Bonds, the payment of all costs incident and related to the financing thereof, pursuant to authority conferred by and in conformity with the Constitution and the Laws of the State of Texas, including Texas Special District Local Laws Code, Chapter 8283, Texas Government Code, Chapter 1207, as amended, and pursuant to a Resolution adopted by the Board of Directors of the Authority (herein referred to as the "Resolution").

The Bonds maturing on and after October 1, 2031, may be redeemed prior to their Stated Maturities, at the option of the Authority, in whole or in part, in principal amounts of \$5,000 or any integral multiple thereof (and if within a Stated Maturity selected by lot by the Paying Agent/Registrar) on October 1, 2030, or on any date thereafter, at the redemption price of par, together with accrued interest to the date of redemption.

Not fewer than thirty (30) days prior to a redemption date for the Bonds, a notice of redemption shall be sent by United States Mail, first class postage prepaid, in the name of the Authority and at the Authority's expense, to each Registered Owner of a Bond to be redeemed and subject to the terms and provisions relating thereto contained in the Resolution. If this Bond (or any portion of the principal sum hereof) shall have been duly called for redemption and notice of such redemption duly given, then upon such redemption date this Bond (or the portion of the principal sum hereof to be redeemed) shall become due and payable, and, if moneys for the payment of the redemption price and the interest accrued on the principal amount to be redeemed to the date of redemption are held for the purpose of such payment by the Paying Agent/Registrar, interest shall cease to accrue and be payable hereon from and after the redemption date on the principal amount hereof to be redeemed.

In the event of a partial redemption of the principal amount of this Bond, payment of the redemption price of such principal amount shall be made to the Holder only upon presentation and surrender of this Bond to the Paying Agent/Registrar at the Designated Payment/Transfer Office, and there shall be issued, without charge therefor to the Holder hereof, a new Bond or Bonds of like maturity and interest rate in any authorized denominations provided by the Resolution for the then unredeemed balance of the principal sum hereof. If this Bond is selected for redemption, in whole or in part, the Authority and the Paying Agent/Registrar shall not be required to transfer this Bond to an assignee of the Holder within forty-five (45) days of the redemption date therefor; provided, however, such limitation on transferability shall not be applicable to an exchange by the Holder of the unredeemed balance hereof in the event of its redemption in part.

With respect to any optional redemption of the Bonds, unless certain prerequisites to such redemption required by the Resolution have been met and moneys sufficient to pay the principal of and premium, if any, and interest on the Bonds to be redeemed shall have been received by the Paying Agent/Registrar prior to the giving of such notice of redemption, such notice may state that said redemption is conditional upon the satisfaction of such prerequisites and receipt of such moneys by the Paying Agent/Registrar on or prior to the date fixed for such redemption. If a conditional notice of redemption is given and such prerequisites to the

redemption are not satisfied or sufficient moneys are not received, such notice shall be of no force and effect, the Authority shall not redeem such Bonds and the Paying Agent/Registrar shall give notice, in the manner in which the notice of redemption was given, to the effect that the Bonds have not been redeemed.

The Bonds constitute special obligations of the Authority, and, together with the outstanding Previously Issued Bonds and any Additional Bonds, if issued, are payable as to principal and interest solely from and equally secured by a first lien on the Pledged Revenue of the Authority (identified and defined in the Resolution, and including revenues to be received under and pursuant to a Contract For Water Supply and Sewer Service between the Authority and the City of Sherman, Texas, dated as of March 1, 1985, together with all amendments thereto). Reference is hereby made to the Resolution, copies of which are on file in the Designated Payment/Transfer Office of the Paying Agent/Registrar, and to all of the provisions of which the Holder by his acceptance hereof hereby assents, for definitions of terms; the description of and the nature and extent of the revenues pledged for the payment of the Bonds; the terms and conditions relating to the transfer or exchange of this Bond; the conditions upon which the Resolution may be amended or supplemented with or without the consent of the Holders; the rights, duties, and obligations of the Authority and the Paying Agent/Registrar; the terms and provisions upon which this Bond may be discharged at or prior to its maturity, and deemed to be no longer Outstanding thereunder; and for the other terms and provisions thereof. Capitalized terms used herein have the same meanings assigned in the Resolution.

The Authority expressly reserves the right to issue further and additional revenue bond obligations in all things on a parity with the Bonds and the Previously Issued Bonds, payable solely from and equally secured by a first lien on the Pledged Revenue described above; provided, however, that any and all such Additional Bonds may be so issued only in accordance with and subject to the covenants, conditions, limitations and restrictions relating thereto which are set out and contained in the Resolution, to which reference is hereby made for more complete and full particulars.

The Holder hereof shall never have the right to demand payment of this obligation out of any funds raised or to be raised by taxation.

This Bond, subject to certain limitations contained in the Resolution, may be transferred on the Security Register only upon its presentation and surrender at the Designated Payment/Transfer Office of the Paying Agent/Registrar, with the Assignment hereon duly endorsed by, or accompanied by a written instrument of transfer in form satisfactory to the Paying Agent/Registrar duly executed by, the Holder hereof, or his duly authorized agent. When a transfer on the Security Register occurs, one or more new fully registered Bonds of the same Stated Maturity, of authorized denominations, bearing the same rate of interest, and of the same aggregate principal amount will be issued by the Paying Agent/Registrar to the designated transferee or transferees.

The Authority and the Paying Agent/Registrar, and any agent of either, shall treat the Holder whose name appears on the Security Register (i) on the Record Date as the owner entitled to payment of interest hereon, (ii) on the date of surrender of this Bond as the owner entitled to payment of principal hereof at its Stated Maturity or its redemption in whole or in part, and (iii) on any other date as the owner for all other purposes, and neither the Authority nor the Paying Agent/Registrar, or any agent of either, shall be affected by notice to the contrary. In the event of nonpayment of interest on a scheduled payment date and for thirty (30) days thereafter, a new record date for such interest payment (a "Special Record Date") will be established by the

Paying Agent/Registrar, if and when funds for the payment of such interest have been received from the Authority. Notice of the Special Record Date and of the scheduled payment date of the past due interest (which shall be fifteen (15) days after the Special Record Date) shall be sent at least five (5) business days prior to the Special Record Date by United States mail, first class postage prepaid, to the address of each Holder appearing on the Security Register at the close of business on the last business day next preceding the date of mailing of such notice.

It is hereby certified, covenanted, and represented that all acts, conditions, and things required to be performed, exist, and be done precedent to or in the issuance of this Bond in order to render the same a legal, valid and binding obligation of the Authority have been performed, exist, and have been done, in regular and due time, form, and manner, as required by law, and that the issuance of the Bonds does not exceed any constitutional or statutory limitation. In case any provision in this Bond or any application thereof shall be invalid, illegal, or unenforceable, the validity, legality, and enforceability of the remaining provisions and applications shall not in any way be affected or impaired thereby. The terms and provisions of this Bond and the Resolution shall be construed in accordance with and shall be governed by the laws of the State of Texas.

IN WITNESS WHEREOF, the Board of Directors of the Authority has caused this Bond to be duly executed under the official seal of the Authority.

GREATER TEXOMA UTILITY AUTHORITY

President, Board of Directors

ATTEST:

Secretary, Board of Directors

(SEAL)

B. Form of Registration Certificate of Comptroller of Public Accounts to appear on Initial Bond only.

REGISTRATION CERTIFICATE OF
COMPTROLLER OF PUBLIC ACCOUNTS

OFFICE OF THE COMPTROLLER	(	
OF PUBLIC ACCOUNTS	(	
	(	REGISTER NO. _____
THE STATE OF TEXAS	(	

I HEREBY CERTIFY that this Bond has been examined, certified as to validity and approved by the Attorney General of the State of Texas, and duly registered by the Comptroller of Public Accounts of the State of Texas.

WITNESS my signature and seal of office this _____.

(SEAL)

Comptroller of Public Accounts
of the State of Texas

C. Form of Certificate of Paying Agent/Registrar to appear on Definitive Bonds only.

CERTIFICATE OF PAYING AGENT/REGISTRAR

This Bond has been duly issued under the provisions of the within-mentioned Resolution; the bond or bonds of the above entitled and designated series originally delivered having been approved by the Attorney General of the State of Texas and registered by the Comptroller of Public Accounts, as shown by the records of the Paying Agent/Registrar.

The principal office of the Paying Agent/Register in St. Paul, Minnesota, is the "Designated Payment/Transfer Office" for this Bond.

BOKF, NA, Dallas, Texas,
as Paying Agent/Registrar

Registration Date:

By: _____
Authorized Signature

D. Form of Assignment.

ASSIGNMENT

FOR VALUE RECEIVED the undersigned hereby sells, assigns, and transfers unto
(Print or typewrite name, address, and zip code of transferee): _____

(Social Security or other identifying number: _____)
_____ the within Bond and all rights thereunder, and hereby
irrevocably constitutes and appoints _____

attorney to transfer the within Bond on the books kept for registration thereof, with full power of
substitution in the premises.

DATED: _____

Signature guaranteed:

NOTICE: The signature on this assignment
must correspond with the name of the
registered owner as it appears on the face
of the within Bond in every particular.

E. The Initial Bond shall be in the form set forth therefor in paragraph A, except as
follows:

Heading and paragraph one shall be amended to read as follows:

REGISTERED
NO. T-1

REGISTERED
\$6,365,000

UNITED STATES OF AMERICA
STATE OF TEXAS
COUNTIES OF COOKE, FANNIN, GRAYSON AND COLLIN
GREATER TEXOMA UTILITY AUTHORITY
CONTRACT REVENUE REFUNDING BONDS, SERIES 2021
(CITY OF SHERMAN PROJECT)

Bond Date: July 8, 2021

Delivery Date: July 8, 2021

Registered Owner: HUNTINGTON SECURITIES, INC.

Principal Amount: SIX MILLION THREE HUNDRED SIXTY-FIVE THOUSAND DOLLARS

The Greater Texoma Utility Authority (hereinafter referred to as the "Authority"), for value received, hereby promises to pay to the Registered Owner named above (the "Holder") or the registered assigns thereof, solely from the revenues hereinafter identified, on October 1 in each of the years and in principal amounts and bearing interest at per annum rates in accordance with the following schedule:

<u>YEAR</u>	<u>PRINCIPAL INSTALLMENTS</u>	<u>INTEREST RATE</u>
-------------	-----------------------------------	--------------------------

(Information to be inserted from schedule in the Pricing Certificate)

(or so much thereof as shall not have been paid upon prior redemption) and to pay interest on the unpaid principal amount hereof from the interest payment date next preceding the "Registration Date" of this Bond appearing below (unless this Bond bears a "Registration Date" as of an interest payment date, in which case it shall bear interest from such date, or unless the "Registration Date" of this Bond is the delivery date of this Bond (or its Predecessor Bond) to the initial Holder, in which case it shall bear interest from the Delivery Date) at the per annum rates of interest specified above computed on the basis of a 360-day year of twelve 30-day months; such interest being payable on October 1, 2021, and each April 1 and October 1 thereafter until maturity or prior redemption. Principal of this Bond is payable at its Stated Maturity or redemption to the Holder hereof by BOKF, NA, Dallas, Texas (the "Paying Agent/Registrar"), upon presentation and surrender, at its designated offices in St. Paul, Minnesota (the "Designated Payment/Transfer Office"), or its successor. Interest is payable to the Holder of this Bond (or one or more Predecessor Bonds, as defined in the Resolution hereinafter referenced) whose name appears on the "Security Register" maintained by the Paying Agent/Registrar at the close of business on the "Record Date", which is the fifteenth (15th) day of the month next preceding each interest payment date, and interest shall be paid by the Paying Agent/Registrar by check sent United States Mail, first class postage prepaid, to the address of the registered owner recorded in the Security Register or by such other method acceptable to the Paying Agent/Registrar, requested by, and at the risk and expense of the Holder. All payments of principal of, premium, if any, and interest on this Bond shall be in any coin or currency of the United States of America, which at the time of payment is legal tender for the payment of public and private debts.

EXHIBIT C

ESCROW AGREEMENT

ESCROW AGREEMENT

THIS ESCROW AGREEMENT (the "Agreement"), made and entered into as of June 10, 2021, by and between the Greater Texoma Utility Authority (the "Authority") acting by and through its General Manager, and BOKF, NA, Dallas, Texas, a banking association organized and existing under the laws of the United States of America, or its successors (the "Bank"),

WITNESSETH:

WHEREAS, the Board of Directors of the Greater Texoma Utility Authority (the "Authority") has heretofore issued, sold, and delivered, and there is currently outstanding contract revenue bonds of the following issues or series (collectively, the "Refunded Bonds"), to wit:

(a) "Greater Texoma Utility Authority Contract Revenue Bonds, Series 2011 (City of Sherman Project)", dated December 1, 2010, scheduled to mature on October 1 in each of years 2022, 2025, 2028, and 2031, aggregating in the principal amount of \$1,255,000 (the "Series 2011 Bonds");

(b) "Greater Texoma Utility Authority Contract Revenue Bonds, Series 2012 (City of Sherman Project)", dated December 15, 2011, scheduled to mature on October 1 in each of years 2022 through 2032, inclusive, aggregating in the principal amount of \$3,620,000 (the "Series 2012 Bonds"); and

(c) "Greater Texoma Utility Authority Contract Revenue Bonds, Series 2013 (City of Sherman Project)", dated December 15, 2012, scheduled to mature on October 1 in each of years 2022 through 2023, inclusive, 2025, 2027, 2029, 2031, and 2033, aggregating in the principal amount of \$2,500,000 (the "Series 2013 Bonds"); and

WHEREAS, in accordance with the provisions of Texas Government Code, Chapter 1207, as amended (the "Act"), the Authority is authorized to sell refunding bonds in an amount sufficient to provide for the payment of obligations to be refunded, deposit the proceeds of such refunding bonds with any place of payment for the obligations being refunded, or other authorized depository, and enter into an escrow or similar agreement with such depository for the safekeeping, investment, reinvestment, administration and disposition of such deposit, upon such terms and conditions as the parties may agree; and

WHEREAS, the Authority on the 17th day of May, 2021, pursuant to a resolution (the "Authorization") finally passed and adopted by the Board of Directors, authorized the issuance of bonds known as "Greater Texoma Utility Authority Contract Revenue Refunding Bonds, Series 2021 (City of Sherman Project)" (the "Bonds"), and such Bonds are being issued to refund, discharge and make final payment of the principal of and interest on the Refunded Bonds pursuant to the Authorization and the Pricing Certificate, dated June 10, 2021, executed pursuant thereto (the Pricing Certificate, together with the Authorization, are hereinafter referred to as the "Bond Resolution"); and

WHEREAS, the Refunded Bonds are scheduled to mature, or be redeemed, and interest thereon is payable on (a) July 27, 2021, with respect to the Series 2011 Bonds and (b) October 1, 2021, with respect to the Series 2012 Bonds and the Series 2013 Bonds (collectively, the "Payment Dates"); and

WHEREAS, proceeds of sale of the Bonds are to be deposited with the Bank under this Agreement, which deposit of funds will be sufficient to pay and redeem in full the Refunded Bonds on their respective Payment Dates;

NOW, THEREFORE, in consideration of the mutual agreements herein contained and the payment to the Bank of the amounts provided in Section 9 hereof, and to secure the payment of the principal of and the interest on the Refunded Bonds, the Authority and the Bank hereby agree as follows:

SECTION 1: There is hereby created by the Authority and the Bank a special segregated and irrevocable trust fund designated "GREATER TEXOMA UTILITY AUTHORITY SERIES 2021 (SHERMAN) REFUNDING BOND ESCROW FUND" (hereinafter called the "Escrow Fund") for the benefit of the holders of the Refunded Bonds, and, immediately following the delivery of the Bonds, the Authority agrees and covenants to cause to be deposited with the Bank for the credit of the Escrow Fund the sum of \$7,496,262.30.

The Bank agrees to establish such Escrow Fund and further agrees to receive said moneys, apply the same as set forth herein, and to hold the cash and investments, if any, deposited and credited to the Escrow Fund for application and disbursement for the payment and redemption of the Refunded Bonds on their respective Payment Dates.

SECTION 2: Specialized Public Finance, Inc. (the "Financial Advisor") represents that the cash deposited to the credit of the Escrow Fund will be sufficient to pay and redeem in full all the Refunded Bonds on their respective Payment Dates.

Furthermore, the Bank, as the paying agent for the Refunded Bonds, acknowledges receipt of a copy of the Bond Resolution, which also provides for the redemption of the Refunded Bonds on their respective Payment Dates, each at the price of par plus accrued interest to the date of redemption, and agrees to cause notices of redemption pertaining to the Refunded Bonds to be sent in accordance with the resolutions authorizing the issuance of the Refunded Bonds and the pricing certificates executed pursuant to such resolutions.

SECTION 3: The Bank agrees that all cash and/or investments held in the Escrow Fund shall constitute dedicated interest and sinking funds for the payment of the principal of and interest on the Refunded Bonds which will mature and become due on and after the date of this Agreement, and such funds deposited in the Escrow Fund shall be applied solely in accordance with the provisions of this Agreement.

SECTION 4: If, for any reason, the funds on hand in the Escrow Fund shall be insufficient to pay the redemption price of the Refunded Bonds on their respective Payment Dates, notice of any such insufficiency shall be immediately given by the Bank to the Authority by the fastest means possible, but neither the Authority nor the Bank shall in no manner be responsible for any insufficiency of funds in the Escrow Fund.

SECTION 5: The Bank represents that the deposit covered by this Agreement shall constitute firm banking arrangements to insure payment of the Refunded Bonds and such deposit is collateralized to insure against any loss or diminution by virtue of any action of the Bank or as a result of its lack of financial integrity.

SECTION 6: The Bank, as paying agent for the Refunded Bonds, shall, without further direction from anyone, including the Authority, cause to be paid with funds on deposit in the

Escrow Fund the amount required to pay and redeem in full the Refunded Bonds on their respective Payment Dates when and such obligations are presented for payment in accordance with their terms and the terms hereof.

SECTION 7: The Bank shall have no lien whatsoever upon any of the moneys in the Escrow Fund for payment of services rendered hereunder, services rendered as paying agent for the Refunded Bonds, or for any costs or expenses incurred hereunder and reimbursable from the Authority.

SECTION 8: Pending the disbursement of moneys held in the Escrow Fund, amounts deposited to the credit of the Escrow Fund may be invested in direct obligations of the United States of America which mature on or before the respective Payment Dates and are not subject to prior redemption. All earnings realized from the investment of such funds will be remitted to the Authority immediately following the respective Payment Dates. No investment of funds deposited to the credit of the Escrow Fund shall be made on or after the respective Payment Dates. Except as authorized and permitted in this Section, neither the Authority nor the Bank shall invest any moneys deposited in the Escrow Fund.

SECTION 9: Except for reimbursement of costs and expenses incurred by the Bank pursuant to Sections 2 and 9 hereof, the Bank hereby agrees the compensation noted below is full and complete payment for the administration of this Agreement.

The Authority agrees to deposit with the Bank on the date of the delivery of the Bonds the sum of \$1,400.00 and the Bank acknowledges and agrees that the above amount is and represents the total amount of compensation due the Bank for services rendered as escrow agent and paying agent/registrar for the Refunded Bonds. The Bank hereby agrees to pay, assume and be fully responsible for any additional charges that it may incur in the performance of its duties and responsibilities as paying agent for the Refunded Bonds.

SECTION 10: The Bank shall not be responsible for any recital herein, except with respect to its organization, its powers and authority and to the safety and security of the deposit of funds to be made by the Authority hereunder. As to the existence or nonexistence of any fact relating to the Authority or as to the sufficiency or validity of any instrument, paper or proceedings relating to the Authority, the Bank shall be entitled to rely upon a certificate signed on behalf of the Authority by the Secretary of the Board of Directors as sufficient evidence of the facts therein contained. The Bank may accept a certificate of the Secretary of the Board of Directors under the Authority's seal, to the effect that a resolution or other instrument in the form therein set forth has been adopted by the Board of Directors of the Authority, as conclusive evidence that such resolution or other instrument has been duly adopted and is in full force and effect.

The duties and obligations of the Bank shall be determined solely by the express provisions of this Agreement and the Bank shall not be liable except for the performance of such duties and obligations as are specifically set forth in this Agreement, and no implied covenants or obligations shall be read into this Agreement against the Bank.

In the absence of bad faith on the part of the Bank, the Bank may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein, upon any certificate or opinion furnished to the Bank, conforming to the requirements of this Agreement; but notwithstanding any provision of this Agreement to the contrary, in the case of any such certificate or opinion or any evidence which by any provision hereof is specifically required to be

furnished to the Bank, the Bank shall be under a duty to examine the same to determine whether it conforms to the requirements of this Agreement.

The Bank shall not be liable for any error of judgment made in good faith by a Responsible Officer or Officers of the Bank unless it shall be proved that the Bank was negligent in ascertaining or acting upon the pertinent facts. The Bank shall not be responsible or liable to any person in any manner whatever for the sufficiency, correctness, genuineness, effectiveness, or validity of the deposits made pursuant to this Agreement, or for the form or execution thereof, or for the identity or authority of any person making or executing such deposits.

The term "Responsible Officers" of the Bank, as used in this Agreement, shall mean and include the Chairman of the Board of Directors, the President, any Vice President and any Second Vice President, the Secretary and any Assistant Secretary, the Treasurer and any Assistant Treasurer, and every other officer and assistant officer of the Bank customarily performing functions similar to those performed by the persons who at the time shall be officers, respectively, or to whom any corporate trust matter is referred, because of his knowledge of and familiarity with a particular subject; and the term "Responsible Officer" of the Bank, as used in this Agreement, shall mean and include any of said officers or persons.

To the extent permitted by law, the Authority agrees to indemnify the Bank for, and to hold it harmless against, any loss, liability, or expense incurred without negligence or willful misconduct on its part, arising out of or in connection with the administration or performance of its duties and obligations hereunder, including the costs and expenses of defending itself (including counsel fees) against any claim or liability in connection with the exercise or performance of any of its powers or duties hereunder, and such indemnity shall survive the removal or resignation of the Bank or the termination of this Agreement.

SECTION 11: This Agreement is between the Authority and the Bank only and in connection therewith the Bank is authorized by the Authority to rely upon the representations of the Authority with respect to this Agreement and the deposits made pursuant hereto and as to this Authority's right and power to execute and deliver this Agreement, and the Bank shall not be liable in any manner as a result of such reliance. The duty of the Bank hereunder shall only be to the Authority and the holders of the Refunded Bonds. In the event conflicting demands or notices are made upon the Bank growing out of or relating to this Agreement or the Bank in good faith is in doubt as to what action should be taken hereunder, the Bank shall have the right at its election to:

(a) Withhold and stop all further proceedings in, and performance of, this Agreement with respect to the issue in question and of all instructions received hereunder in regard to such issue; and

(b) File a suit in interpleader and obtain an order from a court of appropriate jurisdiction requiring all persons involved to interplead and litigate in such court their several claims and rights among themselves.

In the event the Bank becomes involved in litigation in connection with this Section, the Authority, to the extent permitted by law agrees to indemnify and save the Bank harmless from all loss, cost, damages, expenses and attorney fees suffered or incurred by the Bank, without negligence or bad faith on the Bank's part, as a result thereof. The obligations of the Bank

under this Agreement shall be performable at the principal corporate office of the Bank in the City of Dallas, Texas.

The Bank may advise with legal counsel in the event of any dispute or question regarding the construction of any of the provisions hereof or its duties hereunder, and in the absence of negligence or bad faith on the part of the Bank, no liability shall be incurred by the Bank for any action taken pursuant to this Section and the Bank shall be fully protected in acting in accordance with the opinion and instructions of legal counsel that is knowledgeable and has expertise in the field of law addressed in any such legal opinion or with respect to the instructions given.

SECTION 12: Time shall be of the essence in the performance of obligations from time to time imposed upon the Bank by this Agreement.

SECTION 13: Following the final payment and redemption of the Refunded Bonds, the Bank shall forward by letter to the Authority, to the attention of the General Manager, or other designated official of the Authority, a final accounting statement with respect to the payment and discharge of the Refunded Bonds, together with all cancelled Refunded Bonds.

SECTION 14: Any notice, order, request or demand required or permitted to be given hereunder shall be in writing and shall be deemed to have been duly given when mailed by registered or certified mail, postage prepaid addressed as follows:

GREATER TEXOMA UTILITY AUTHORITY
5100 Airport Drive
Denison, Texas 75020
Attention: General Manager

BOKF, NA dba Bank of Texas
5956 Sherry Lane, Suite 1201
Dallas, Texas 75225
Attention: Corporate Trust

The United States Post Office registered or certified mail receipt showing delivery of the aforesaid shall be conclusive evidence of the date and fact of delivery.

Any party hereto may change the address to which notices are to be delivered by giving to the other parties not less than ten (10) days prior notice thereof.

SECTION 15: Whenever under the terms of this Agreement the performance date of any provision hereof, including the date of maturity of interest on or principal of the Refunded Bonds, shall be a Sunday or a legal holiday or a day on which the Bank is authorized by law to close, then the performance thereof, including the payment of principal of and interest on the Refunded Bonds, need not be made on such date but may performed or paid, as the case may be, on the next succeeding business day of the Bank with the same force and effect as if made on the date of performance or payment and with respect to a payment, no interest shall accrue for the period after such date.

SECTION 16: The Authority covenants that it will faithfully perform at all times any and all covenants, undertakings, stipulations and provisions contained in this Agreement, in any and every said Refunded Bond as executed, authenticated and delivered and in all proceedings

pertaining thereto as said Refunded Bonds shall have been modified as provided in this Agreement. The Authority covenants that it is duly authorized under the Constitution and laws of the State of Texas to execute and deliver this Agreement, that all actions on its part for the payment of said Refunded Bonds as provided herein and the execution and delivery of this Agreement have been duly and effectively taken and that said Refunded Bonds and coupons, if any, in the hands of the holders and owners thereof are and will be valid and enforceable obligations of the Authority according to the import thereof as provided in this Agreement.

SECTION 17: If any one or more of the covenants or agreements provided in this Agreement on the part of the parties to be performed should be determined by a court of competent jurisdiction to be contrary to law, such covenant or agreement shall be deemed and construed to be severable from the remaining covenants and agreements herein contained and shall in no way affect the validity of the remaining provisions of this Agreement.

SECTION 18: This Agreement shall terminate either (i) when the Refunded Bonds and coupons, if any, appertaining thereto have been paid and discharged in accordance with the provisions of this Agreement or (ii) at the expiration of three (3) years after the last date of the respective Payment Dates, whichever circumstance shall first occur. Subject to applicable unclaimed property laws of the State, moneys held in the Escrow Fund at the termination of this Agreement shall be remitted and transferred to the Authority.

SECTION 19: Neither the Authority nor the Bank shall assign or attempt to assign or transfer any interest hereunder or any portion of any such interest. Any such assignment or attempted assignment shall be in direct conflict with this Agreement and be without effect.

SECTION 20: This Agreement shall inure to the benefit of and be binding upon the Bank and the Authority and their respective successors.

SECTION 21: The Bank hereby verifies that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not boycott Israel and, to the extent this Agreement is a contract for goods or services, will not boycott Israel during the term of this Agreement. The foregoing verification is made solely to comply with Section 2271.002, Texas Government Code, and to the extent such Section does not contravene applicable Federal law. As used in the foregoing verification, 'boycott Israel' means refusing to deal with, terminating business activities with, or otherwise taking any action that is intended to penalize, inflict economic harm on, or limit commercial relations specifically with Israel, or with a person or entity doing business in Israel or in an Israeli-controlled territory, but does not include an action made for ordinary business purposes. The Bank understands 'affiliate' to mean an entity that controls, is controlled by, or is under common control with the Bank and exists to make a profit.

SECTION 22: The Bank represents that neither it nor any of its parent company, wholly- or majority-owned subsidiaries, and other affiliates is a company identified on a list prepared and maintained by the Texas Comptroller of Public Accounts under Section 2252.153 or Section 2270.0201, Texas Government Code, and posted on any of the following pages of such officer's internet website:

<https://comptroller.texas.gov/purchasing/docs/sudan-list.pdf>;
<https://comptroller.texas.gov/purchasing/docs/iran-list.pdf>; or
<https://comptroller.texas.gov/purchasing/docs/fto-list.pdf>.

The foregoing representation is made solely to comply with Section 2252.152, Texas Government Code, and to the extent such Section does not contravene applicable Federal law and excludes the Bank and each of its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, that the United States government has affirmatively declared to be excluded from its federal sanctions regime relating to Sudan or Iran or any federal sanctions regime relating to a foreign terrorist organization. The Bank understands "affiliate" to mean any entity that controls, is controlled by, or is under common control with the Bank and exists to make a profit.

SECTION 23: This Agreement may be executed in several counterparts, all or any of which shall be regarded for all purposes as one original and shall constitute and be but one and the same instrument. This Agreement shall be governed by the laws of the State of Texas.

[remainder of page left blank intentionally]

IN WITNESS WHEREOF, the parties hereto have each caused this Agreement to be executed by their duly authorized officers and their corporate seals to be hereunto affixed and attested as of the date first above written.

GREATER TEXOMA UTILITY AUTHORITY

Pricing Officer

BOKF, NA, Dallas, Texas
as Escrow Agent

Title: _____

EXHIBIT D

NOTICE OF REDEMPTION
GREATER TEXOMA UTILITY AUTHORITY
CONTRACT REVENUE BONDS
SERIES 2011
(CITY OF SHERMAN PROJECT)
DATED DECEMBER 1, 2010

NOTICE IS HEREBY GIVEN that the bonds of the above series maturing on October 1 in each of years 2022, 2025, 2028, and 2031, and aggregating in principal amount \$1,255,000 have been called for redemption on July 27, 2021, at the redemption price of par and accrued interest to the date of redemption, such bonds being identified as follows:

<u>Year of Maturity</u>	<u>Principal Amount (\$)</u>	<u>CUSIP Number</u>
2022 ***	105,000 ***	39238RTJ1 ***
2025 ***	340,000 ***	39238RTM4 ***
2028 ***	375,000 ***	39238RTQ5 ***
2031	435,000	39238RTT9

THE ABOVE DESCRIBED BONDS shall become due and payable on July 27, 2021, and interest thereon shall cease to accrue from and after said redemption date and payment of the redemption price of said bonds shall be paid to the registered owners of the bonds only upon presentation and surrender of such bonds to BOKF, NA, Dallas, Texas, at the following address: BOK Corporate Trust Services, 111 Filmore Avenue East, St. Paul, MN 55107-1402.

THIS NOTICE is issued and given pursuant to the terms and conditions prescribed for the redemption of said bonds and pursuant to a resolution by the Board of Directors of the Greater Texoma Utility Authority.

BOKF, NA, as Paying Agent/Registrar
Address: 5956 Sherry Lane, Suite 1201
Dallas, Texas 75225

EXHIBIT E

NOTICE OF REDEMPTION
GREATER TEXOMA UTILITY AUTHORITY
CONTRACT REVENUE BONDS
SERIES 2012
(CITY OF SHERMAN PROJECT)
DATED DECEMBER 15, 2011

NOTICE IS HEREBY GIVEN that the bonds of the above series maturing on October 1 in each of years 2022 through 2032, inclusive, and aggregating in principal amount \$3,620,000 have been called for redemption on October 1, 2021, at the redemption price of par and accrued interest to the date of redemption, such bonds being identified as follows:

<u>Year of Maturity</u>	<u>Principal Amount (\$)</u>	<u>CUSIP Number</u>	<u>Year of Maturity</u>	<u>Principal Amount (\$)</u>	<u>CUSIP Number</u>
2022	260,000	39238RVU3	2028	340,000	39238RWA6
2023	270,000	39238RVV1	2029	355,000	39238RWB4
2024	285,000	39238RVW9	2030	375,000	39238RWC2
2025	300,000	39238RVX7	2031	390,000	39238RWD0
2026	310,000	39238RVY5	2032	410,000	39238RWE8
2027	325,000	39238RVZ2			

THE ABOVE DESCRIBED BONDS shall become due and payable on October 1, 2021, and interest thereon shall cease to accrue from and after said redemption date and payment of the redemption price of said bonds shall be paid to the registered owners of the bonds only upon presentation and surrender of such bonds to BOKF, NA, Dallas, Texas, at the following address: BOK Corporate Trust Services, 111 Filmore Avenue East, St. Paul, MN 55107-1402.

THIS NOTICE is issued and given pursuant to the terms and conditions prescribed for the redemption of said bonds and pursuant to a resolution by the Board of Directors of the Greater Texoma Utility Authority.

BOKF, NA, as Paying Agent/Registrar
Address: 5956 Sherry Lane, Suite 1201
Dallas, Texas 75225

EXHIBIT F

NOTICE OF REDEMPTION
GREATER TEXOMA UTILITY AUTHORITY
CONTRACT REVENUE BONDS
SERIES 2013
(CITY OF SHERMAN PROJECT)
DATED DECEMBER 15, 2012

NOTICE IS HEREBY GIVEN that the bonds of the above series maturing on October 1 in each of years 2022 through 2023, inclusive, 2025, 2027, 2029, 2031, and 2033, and aggregating in principal amount \$2,500,000 have been called for redemption on October 1, 2021, at the redemption price of par and accrued interest to the date of redemption, such bonds being identified as follows:

<u>Year of Maturity</u>	<u>Principal Amount (\$)</u>	<u>CUSIP Number</u>	<u>Year of Maturity</u>	<u>Principal Amount (\$)</u>	<u>CUSIP Number</u>
2022	170,000	39238RZB1	2029	430,000	39238RZJ4
2023	175,000	39238RZC9	***	***	***
***	***	***	2031	460,000	39238RZL9
2025	370,000	39238RZE5	***	***	***
***	***	***	2033	500,000	39238RZN5
2027	395,000	39238RZG0			

THE ABOVE DESCRIBED BONDS shall become due and payable on October 1, 2021, and interest thereon shall cease to accrue from and after said redemption date and payment of the redemption price of said bonds shall be paid to the registered owners of the bonds only upon presentation and surrender of such bonds to BOKF, NA, Dallas, Texas, at the following address: BOK Corporate Trust Services, 111 Filmore Avenue East, St. Paul, MN 55107-1402.

THIS NOTICE is issued and given pursuant to the terms and conditions prescribed for the redemption of said bonds and pursuant to a resolution by the Board of Directors of the Greater Texoma Utility Authority.

BOKF, NA, as Paying Agent/Registrar
Address: 5956 Sherry Lane, Suite 1201
Dallas, Texas 75225

Pricing

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

Refunded (Old) Bonds:

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

Refunding (New) Bonds:

	<i>Pricing</i>	<i>Budget</i>
Pricing Results		
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



City Council Regular Meeting

D. 2.

Meeting Date: 06/21/2021

Approved By: Robby Hefton, City Manager

Caption:

ADOPTION OF ORDINANCES

Consider Adoption of Ordinance Number 6393

Issue:

D.1 INTRODUCTION AND PUBLIC HEARING OF ORDINANCE NO. 6393

Relating to Greater Texoma Utility Authority Contract Revenue Refunding Bonds, Series 2021 (City of Sherman Project); Approving the Issuance Thereof and the Refunding of Certain Outstanding Bonds of the Authority



SHERMAN CITY COUNCIL

Agenda Communication Form

City Council Regular Meeting

E. 1.

Meeting Date: 06/21/2021

Prepared By: Wayne Lee, Director of Engineering

Approved By: Robby Hefton, City Manager

Caption:

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

Issue:

To consider awarding a bid to and authorizing execution of a contract with Lynn Vessels Construction, LLC of Sherman, Texas, based on an invitation to bid, for construction of Moore Street From West Travis Street To Heritage Parkway

Background:

Moore Street is on the Grayson County Thoroughfare Plan. As future developments are planned around the new high school and along the Sherman Crossroads area, it is necessary to construct the section of Moore Street between West Travis Street and Heritage Parkway (F.M.1417) to improve pedestrian and vehicular traffic flow and safety. This project includes construction of two lanes of an ultimate four lane boulevard between West Travis Street and Heritage Parkway (F.M.1417) and drainage improvements with a retention/detention pond that includes necessary detention for the new high school.

Four (4) bidders responded to the request for bids. The lowest responsible responsive bid in the amount of \$2,707,356.46 was submitted by Lynn Vessels Construction, LLC of Sherman, Texas. A bid tabulation is attached.

Origination:

Engineering Department

Financial Consideration:

The total cost of the project is \$2,707,356.46 and will be funded through Capital Improvement Program bonds and \$119,000.00 that Sherman ISD contributed to the Regional Detention Fund with the construction of the new high school. The Engineers' estimate for this project was approximately \$2,650,000.00.

Staff Recommendation:

It is recommended that the bid be awarded for construction of Moore Street From West Travis Street To Heritage Parkway to Lynn Vessels Construction, LLC in the amount of \$2,707,356.46. It is also recommended that the City Manager be authorized to execute the required contract documents.

Alternatives:

As may be directed by City Council

Attachments

Resolution No. 6746

Contract Agreement

Bid Tabulation

Location Map

RESOLUTION NO. 6746

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; 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 Lynn Vessels Construction, LLC of Sherman, Texas, is hereby awarded the bid and the City of Sherman hereby approves the contract with Lynn Vessels Construction, LLC in the amount of, Two Million, Seven Hundred Seven Thousand, Three Hundred Fifty-Six Dollars and Forty-Six Cents (\$2,707,356.46) for construction of Moore Street From West Travis Street To Heritage Parkway; and 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 a contract with Lynn Vessels Construction, LLC for construction of the aforementioned improvements, in accordance with 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 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: _____
NAME: _____
CITY ATTORNEY

CONTRACT AGREEMENT

STATE OF TEXAS

COUNTY OF GRAYSON

THIS AGREEMENT is made and entered into this 21st day of June 2021, by and between the City of Sherman, of the County of Grayson and State of Texas, acting through its City Manager, thereunto duly authorized so to do, Party of the First Part, hereinafter termed the OWNER, and Lynn Vessels Construction, LLC of the City of Sherman, County of Grayson, State of Texas, Party of the Second Part, hereinafter termed CONTRACTOR.

WITNESSETH: That for and in consideration of the payment and agreement hereinafter mentioned, to be made and performed by the OWNER, the said CONTRACTOR hereby agrees with the said OWNER to commence and complete construction of certain improvements as follows:

Moore Street From West Travis Street To Heritage Parkway

and all extra work in connection therewith, under the terms as stated in the General and Specific Conditions of the AGREEMENT; and at his own proper cost and expense to furnish all the materials, supplies, machinery, equipment, tools, superintendence, labor, insurance and other accessories and services necessary to complete the said construction, in accordance with the conditions and prices stated in the Proposal attached hereto and in accordance with the Advertisement for Bids, Instructions to Bidders, General Provisions, Special Provisions, Plans, and other drawings and printed or written explanatory matter thereof, and the Technical Specifications and Addenda thereto, as prepared by the OWNER, each of which has been identified by the endorsement of the CONTRACTOR and the OWNER thereon, together with the CONTRACTOR's written Proposal and the General Provisions, all of which are made a part hereof and collectively evidence and constitute the entire AGREEMENT.

Notice to Proceed

The CONTRACTOR hereby agrees to commence work within ten (10) calendar days after the date of written notice to do so shall have been given to him, to complete the work within Two Hundred Seventy (**270**) calendar days, after he commences work, subject to such extensions of time as are provided by the General Provisions.

The OWNER agrees to pay the CONTRACTOR Two Million, Seven Hundred Seven Thousand, Three Hundred Fifty-Six Dollars and Forty-Six Cents (**\$2,707,356.46**) in current funds for the performance of the Contract in accordance with the Proposal submitted thereof, subject to additions and deductions, as provided in the General Provisions, and to make payments of account thereof as provided therein.

IN WITNESS WHEREOF, the parties of these presents have executed this AGREEMENT in the year and day first above written.

CITY OF SHERMAN, TEXAS (OWNER)

ATTEST:

By: _____ By: _____
Robby Hefton, City Manager Linda Ashby, City Clerk

By: _____ By: _____
(CONTRACTOR) ATTEST:

The following to be executed if the CONTRACTOR is a corporation:

I, _____ certify that I am the secretary of the corporation named as CONTRACTOR herein; that _____, who signed this Contract on behalf of the CONTRACTOR is the _____ (official title) of said corporation; that said Contract was duly signed for and in behalf of said corporation by authority of its governing body, and is within the scope of its corporate powers.

Signed: _____

Corporate Seal

Bid Tabulation

Project: Moore Street From West Travis Street To Heritage Parkway

Owner: City of Sherman

Number: 2021-11

Public Works Project # 3082

Date: 6/7/2021

Item	Description	Estimated Quantity		Lynn Vessels		Ed Bell		Zachry		Reliable	
				Construction, LLC		Construction Company		Construction Corp.		Paving, Inc.	
				Unit Price	Total Price	Unit Price	Total Price	Unit Price	Total Price	Unit Price	Total Price
1	Mobilization	1	LS	\$143,292.52	\$143,292.52	\$60,000.00	\$60,000.00	\$300,000.00	\$300,000.00	\$110,000.00	\$110,000.00
2	SWPPP and Erosion Control (Extent of Project)	1	LS	\$20,057.40	\$20,057.40	\$60,000.00	\$60,000.00	\$42,000.00	\$42,000.00	\$75,000.00	\$75,000.00
3	Traffic Control	1	LS	\$1,650.00	\$1,650.00	\$27,000.00	\$27,000.00	\$15,000.00	\$15,000.00	\$35,500.00	\$35,500.00
4	ROW Prep	1	LS	\$13,750.00	\$13,750.00	\$97,000.00	\$97,000.00	\$161,950.00	\$161,950.00	\$57,000.00	\$57,000.00
5	Project Sign	2	EA	\$616.00	\$1,232.00	\$400.00	\$800.00	\$650.00	\$1,300.00	\$518.00	\$1,036.00
6	Demolish Existing Roadway	1	LS	\$22,400.00	\$22,400.00	\$10,000.00	\$10,000.00	\$30,000.00	\$30,000.00	\$31,000.00	\$31,000.00
7	Unclassified Excavation (est. 22,705 cy fill)	67,167	CY	\$7.61	\$511,140.87	\$12.00	\$806,004.00	\$10.00	\$671,670.00	\$14.00	\$940,338.00
8	6" Lime Stabilized Subgrade	5,915	SY	\$2.52	\$14,905.80	\$4.75	\$28,096.25	\$7.30	\$43,179.50	\$4.20	\$24,843.00
9	Lime (36 lbs/SY-EST)	120	TON	\$188.16	\$22,579.20	\$200.00	\$24,000.00	\$167.00	\$20,040.00	\$210.00	\$25,200.00
10	Flex Base (6")(Complete-in-place)(DC)	9,810	SY	\$8.71	\$85,445.10	\$9.25	\$90,742.50	\$8.10	\$79,461.00	\$12.00	\$117,720.00
11	8" Concrete Paving (4000 psi)	13,733	SY	\$52.21	\$716,999.93	\$49.00	\$672,917.00	\$50.00	\$686,650.00	\$51.50	\$707,249.50
12	Street Header	282	LF	\$22.40	\$6,316.80	\$15.00	\$4,230.00	\$10.00	\$2,820.00	\$12.00	\$3,384.00
13	Median Nose Pavers	1	LS	\$7,727.04	\$7,727.04	\$5,000.00	\$5,000.00	\$5,500.00	\$5,500.00	\$3,900.00	\$3,900.00
14	18" Class III RCP	629	LF	\$57.07	\$35,897.03	\$80.00	\$50,320.00	\$60.00	\$37,740.00	\$93.00	\$58,497.00
15	21" Class III RCP	505	LF	\$64.53	\$32,587.65	\$87.00	\$43,935.00	\$65.00	\$32,825.00	\$102.00	\$51,510.00
16	24" Class III RCP	245	LF	\$74.67	\$18,294.15	\$101.00	\$24,745.00	\$125.00	\$30,625.00	\$117.00	\$28,665.00
17	30" Class III RCP	162	LF	\$99.85	\$16,175.70	\$127.00	\$20,574.00	\$135.00	\$21,870.00	\$148.00	\$23,976.00
18	33" Class III RCP	112	LF	\$116.22	\$13,016.64	\$159.00	\$17,808.00	\$140.00	\$15,680.00	\$171.00	\$19,152.00
19	36" Class III RCP	80	LF	\$132.23	\$10,578.40	\$182.00	\$14,560.00	\$160.00	\$12,800.00	\$198.00	\$15,840.00
20	42" Class III RCP	100	LF	\$171.99	\$17,199.00	\$238.00	\$23,800.00	\$180.00	\$18,000.00	\$252.00	\$25,200.00
21	48" Class III RCP	208	LF	\$197.89	\$41,161.12	\$260.00	\$54,080.00	\$285.00	\$59,280.00	\$300.00	\$62,400.00
22	60" Class III RCP	548	LF	\$370.56	\$203,066.88	\$382.00	\$209,336.00	\$350.00	\$191,800.00	\$460.00	\$252,080.00
23	66" Class III RCP	112	LF	\$395.79	\$44,328.48	\$464.00	\$51,968.00	\$400.00	\$44,800.00	\$555.00	\$62,160.00
24	4'x4' RCB	86	LF	\$317.56	\$27,310.16	\$358.00	\$30,788.00	\$250.00	\$21,500.00	\$438.00	\$37,668.00
25	5'x4' RCB	78	LF	\$367.43	\$28,659.54	\$422.00	\$32,916.00	\$325.00	\$25,350.00	\$530.00	\$41,340.00
26	10' Recessed Curb Inlet (Cast-In-Place) or (Pre-Cast)	5	EA	\$4,800.87	\$24,004.35	\$5,500.00	\$27,500.00	\$6,000.00	\$30,000.00	\$5,075.00	\$25,375.00
27	4' Square WYE Inlet	1	EA	\$4,847.00	\$4,847.00	\$6,500.00	\$6,500.00	\$4,800.00	\$4,800.00	\$6,525.00	\$6,525.00
28	5' Square WYE Inlet	1	EA	\$5,412.38	\$5,412.38	\$7,500.00	\$7,500.00	\$6,000.00	\$6,000.00	\$8,000.00	\$8,000.00
29	4'x4' Type B Storm Manhole	1	EA	\$3,646.76	\$3,646.76	\$4,000.00	\$4,000.00	\$4,800.00	\$4,800.00	\$7,300.00	\$7,300.00
30	6'x4' Type B Storm Manhole	1	EA	\$9,881.98	\$9,881.98	\$7,500.00	\$7,500.00	\$8,400.00	\$8,400.00	\$8,700.00	\$8,700.00
31	8'x8' Type B Storm Manhole	2	EA	\$15,080.35	\$30,160.70	\$12,000.00	\$24,000.00	\$13,200.00	\$26,400.00	\$13,900.00	\$27,800.00
32	6'x6' Junction Box	1	EA	\$9,915.58	\$9,915.58	\$8,000.00	\$8,000.00	\$9,600.00	\$9,600.00	\$9,450.00	\$9,450.00
33	Slope Paving Headwall - 33" RCP (Multiple Barrel)	1	EA	\$12,104.40	\$12,104.40	\$11,000.00	\$11,000.00	\$14,400.00	\$14,400.00	\$8,000.00	\$8,000.00
34	Slope Paving Headwall - 48" RCP	1	EA	\$10,929.78	\$10,929.78	\$14,000.00	\$14,000.00	\$15,600.00	\$15,600.00	\$8,000.00	\$8,000.00
35	Slope Paving Headwall - 60" RCP	1	EA	\$26,753.78	\$26,753.78	\$20,000.00	\$20,000.00	\$16,800.00	\$16,800.00	\$14,550.00	\$14,550.00
36	Flared Wingwall - 30" RCP	1	EA	\$2,144.78	\$2,144.78	\$5,000.00	\$5,000.00	\$7,200.00	\$7,200.00	\$5,000.00	\$5,000.00
37	Parallel Wingwall - 30" RCP (30° Skew)	1	EA	\$13,642.75	\$13,642.75	\$7,500.00	\$7,500.00	\$10,800.00	\$10,800.00	\$5,500.00	\$5,500.00
38	Flared Wingwall - 33" RCP (Multiple)	1	EA	\$13,324.30	\$13,324.30	\$7,500.00	\$7,500.00	\$11,400.00	\$11,400.00	\$10,000.00	\$10,000.00
39	Flared Wingwall - 42" RCP	1	EA	\$3,917.85	\$3,917.85	\$7,500.00	\$7,500.00	\$12,000.00	\$12,000.00	\$6,100.00	\$6,100.00
40	Parallel Wingwall - 60" RCP	1	EA	\$22,952.60	\$22,952.60	\$11,500.00	\$11,500.00	\$13,200.00	\$13,200.00	\$14,500.00	\$14,500.00
41	Flared Wingwall - 4'x4' RCB	1	EA	\$21,774.53	\$21,774.53	\$9,000.00	\$9,000.00	\$9,600.00	\$9,600.00	\$12,800.00	\$12,800.00
42	Flared Wingwall - 5'x4' RCB	1	EA	\$22,570.93	\$22,570.93	\$12,000.00	\$12,000.00	\$12,000.00	\$12,000.00	\$9,400.00	\$9,400.00
43	SETP-PD (24")(w/Cross Pipes)	4	EA	\$1,948.28	\$7,793.12	\$2,800.00	\$11,200.00	\$3,600.00	\$14,400.00	\$5,000.00	\$20,000.00
44	42" Pipe Collar	1	EA	\$671.00	\$671.00	\$1,000.00	\$1,000.00	\$1,800.00	\$1,800.00	\$875.00	\$875.00
45	TV Inspection (Storm Sewer)	1	LS	\$4,733.12	\$4,733.12	\$6,000.00	\$6,000.00	\$7,200.00	\$7,200.00	\$8,000.00	\$8,000.00
46	Stone Riprap Per Plan	1477	SY	\$29.12	\$43,010.24	\$75.00	\$110,775.00	\$50.00	\$73,850.00	\$125.00	\$184,625.00
47	Trench Safety (Storm Sewer)	2865	LF	\$1.10	\$3,151.50	\$1.50	\$4,297.50	\$2.00	\$5,730.00	\$3.00	\$8,595.00
48	Weir Overflow Structure (Complete-in-Place)	1	LS	\$20,451.20	\$20,451.20	\$29,000.00	\$29,000.00	\$35,000.00	\$35,000.00	\$66,000.00	\$66,000.00

49	4" (W)(SLD)(Type I)(90 mil) Stripe	1099	LF	\$1.93	\$2,121.07	\$1.25	\$1,373.75	\$1.50	\$1,648.50	\$1.50	\$1,648.50
50	4" (Y)(SLD)(Type I)(90 mil) Stripe	716	LF	\$1.43	\$1,023.88	\$1.25	\$895.00	\$1.50	\$1,074.00	\$1.50	\$1,074.00
51	4"(W)(BRK)(Type I)(90 mil) Stripe	80	LF	\$1.43	\$114.40	\$1.25	\$100.00	\$1.50	\$120.00	\$1.50	\$120.00
52	4" (Y)(DBL)(Type I)(90 mil) Stripe	3107	LF	\$2.81	\$8,730.67	\$2.50	\$7,767.50	\$1.50	\$4,660.50	\$3.00	\$9,321.00
53	8" (W)(SLD)(Type I)(90 mil) Stripe	300	LF	\$2.75	\$825.00	\$2.50	\$750.00	\$2.25	\$675.00	\$3.00	\$900.00
54	24"(W)(SLD)(Type I)(125 mil) Stripe	322	LF	\$12.10	\$3,896.20	\$11.00	\$3,542.00	\$11.00	\$3,542.00	\$13.00	\$4,186.00
55	White (WORD)(125 mil)(ONLY)	3	EA	\$192.50	\$577.50	\$275.00	\$825.00	\$250.00	\$750.00	\$325.00	\$975.00
56	White (SYMBOL)(125 mil)(ARROW)	7	EA	\$247.50	\$1,732.50	\$240.00	\$1,680.00	\$175.00	\$1,225.00	\$275.00	\$1,925.00
56A	Pavement Marker Removal	4	EA	\$60.50	\$242.00	\$40.00	\$160.00	\$30.00	\$120.00	\$45.00	\$180.00
57	RPM TY II C-R	37	EA	\$6.16	\$227.92	\$5.00	\$185.00	\$6.00	\$222.00	\$5.50	\$203.50
58	RPM TY II-A-A	302	EA	\$6.16	\$1,860.32	\$5.00	\$1,510.00	\$6.00	\$1,812.00	\$5.50	\$1,661.00
59	RPM TY-Y	20	EA	\$6.16	\$123.20	\$4.00	\$80.00	\$6.00	\$120.00	\$4.00	\$80.00
60	Flexible Delineator (Surface Mount)(W)	7	EA	\$168.00	\$1,176.00	\$160.00	\$1,120.00	\$30.00	\$210.00	\$190.00	\$1,330.00
61	Street Sign	22	EA	\$487.20	\$10,718.40	\$400.00	\$8,800.00	\$650.00	\$14,300.00	\$490.00	\$10,780.00
62	Type III Barricade	3	EA	\$2,553.60	\$7,660.80	\$750.00	\$2,250.00	\$180.00	\$540.00	\$910.00	\$2,730.00
63	4" Conduit	320	LF	\$8.90	\$2,848.00	\$21.50	\$6,880.00	\$71.00	\$22,720.00	\$59.00	\$18,880.00
64	Casing Pipe (18" O.D.) (Open Cut)	164	LF	\$97.16	\$15,934.24	\$175.00	\$28,700.00	\$160.00	\$26,240.00	\$145.00	\$23,780.00
65	Casing Pipe (21" O.D.) (Open Cut)	258	LF	\$93.24	\$24,055.92	\$185.00	\$47,730.00	\$258.00	\$66,564.00	\$152.00	\$39,216.00
65A	Casing Pipe (21" O.D.) (Bore)	202	LF	\$291.20	\$58,822.40	\$525.00	\$106,050.00	\$485.00	\$97,970.00	\$487.00	\$98,374.00
66	SOD	52,500	SY	\$3.64	\$191,100.00	\$4.50	\$236,250.00	\$3.90	\$204,750.00	\$4.50	\$236,250.00
Base Bid Total					\$2,707,356.46		\$3,269,540.50		\$3,372,083.50		\$3,739,367.50

ADDITIVE ALTERNATE				Lynn Vessels Construction, LLC		Ed Bell Construction Company		Zachry Construction Corp.		Reliable Paving, Inc.	
Item	Description	Estimated Quantity		Unit Price	Total Price	Unit Price	Total Price	Unit Price	Total Price	Unit Price	Total Price
A-1	12" Gate Valve	14	EA	\$2,099.46	\$29,392.44	\$3,515.00	\$49,210.00	\$3,000.00	\$42,000.00	\$3,500.00	\$49,000.00
A-2	12" Air Release/Vacuum Relief Valve	2	EA	\$7,011.65	\$14,023.30	\$8,100.00	\$16,200.00	\$7,500.00	\$15,000.00	\$4,600.00	\$9,200.00
A-3	Connect to Existing Water Line	1	EA	\$2,292.77	\$2,292.77	\$5,400.00	\$5,400.00	\$5,000.00	\$5,000.00	\$5,900.00	\$5,900.00
A-4	20"x12" Tapping Sleeve & Valve	1	EA	\$5,374.22	\$5,374.22	\$13,650.00	\$13,650.00	\$12,730.00	\$12,730.00	\$12,000.00	\$12,000.00
A-5	Fire Hydrant Assembly	9	EA	\$5,130.36	\$46,173.24	\$4,500.00	\$40,500.00	\$4,000.00	\$36,000.00	\$6,175.00	\$55,575.00
A-6	12" C-900 DR-18 PVC Water Line	4367	LF	\$55.16	\$240,883.72	\$110.00	\$480,370.00	\$94.00	\$410,498.00	\$122.00	\$532,774.00
A-7	Water Testing	1	LS	\$2,825.00	\$2,825.00	\$550.00	\$550.00	\$500.00	\$500.00	\$6,700.00	\$6,700.00
A-8	Ductile Iron Fittings	4.6	TON	\$7,903.61	\$36,356.61	\$6,500.00	\$29,900.00	\$6,000.00	\$27,600.00	\$13,500.00	\$62,100.00
A-9	Trench Safety (Water)	4367	LF	\$0.11	\$480.37	\$1.25	\$5,458.75	\$1.00	\$4,367.00	\$1.50	\$6,550.50
A-10	4" Concrete Sidewalk	22,800	SF	\$5.75	\$131,100.00	\$5.50	\$125,400.00	\$8.00	\$182,400.00	\$6.25	\$142,500.00
A-11	Barrier Free Ramp	3	EA	\$1,697.26	\$5,091.78	\$1,500.00	\$4,500.00	\$2,700.00	\$8,100.00	\$1,900.00	\$5,700.00
A-12	10" SDR 35 PVC Pipe (4'-7' Depth)	242	LF	\$58.62	\$14,186.04	\$92.00	\$22,264.00	\$85.00	\$20,570.00	\$89.00	\$21,538.00
A-13	8" SDR 26 PVC Pipe (9'-12' Depth)	125	LF	\$67.46	\$8,432.50	\$87.00	\$10,875.00	\$80.00	\$10,000.00	\$93.00	\$11,625.00
A-14	8" SDR 26 PVC Pipe (15'-18' Depth)	118	LF	\$65.12	\$7,684.16	\$92.00	\$10,856.00	\$85.00	\$10,030.00	\$101.00	\$11,918.00
A-15	8" PVC Sewer Pipe Plug	4	EA	\$88.14	\$352.56	\$325.00	\$1,300.00	\$300.00	\$1,200.00	\$764.00	\$3,056.00
A-16	10" PVC Sewer Pipe Plug	2	EA	\$158.20	\$316.40	\$375.00	\$750.00	\$350.00	\$700.00	\$818.00	\$1,636.00
A-17	4' Dia Manholes (4'-7' Depth)	2	EA	\$3,362.33	\$6,724.66	\$5,000.00	\$10,000.00	\$4,000.00	\$8,000.00	\$4,000.00	\$8,000.00
A-18	4' Dia Manholes (9'-12' Depth)	2	EA	\$4,019.87	\$8,039.74	\$6,000.00	\$12,000.00	\$5,000.00	\$10,000.00	\$4,600.00	\$9,200.00
A-19	4' Dia Manholes (15'-18' Depth)	2	EA	\$6,132.97	\$12,265.94	\$7,000.00	\$14,000.00	\$5,500.00	\$11,000.00	\$6,600.00	\$13,200.00
A-20	TV Inspection (Sanitary Sewer)	1	LS	\$1,507.14	\$1,507.14	\$3,300.00	\$3,300.00	\$6.19	\$6.19	\$2,000.00	\$2,000.00
A-21	Trench Safety (Sanitary Sewer)	485	LF	\$1.13	\$548.05	\$1.25	\$606.25	\$1.00	\$485.00	\$3.00	\$1,455.00
A-22	Pond Aeration Assembly	1	EA	\$17,515.00	\$17,515.00	\$21,500.00	\$21,500.00	\$16,000.00	\$16,000.00	\$97,500.00	\$97,500.00
Additive Alternate Total					591,565.64		878,590.00		832,186.19		\$1,069,127.50





SHERMAN CITY COUNCIL

Agenda Communication Form

City Council Regular Meeting

E. 2.

Meeting Date: 06/21/2021

Prepared By: Wayne Lee, Director of Engineering

Approved By: Robby Hefton, City Manager

Caption:

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

Issue:

Authorizing the City Manager to execute a Discretionary Service Agreement with Oncor Electric Delivery Company, LLC for the relocation of overhead electric supply along Moore Street at West Travis Street

Background:

The Moore Street project between West Travis and FM 1417 is currently designed and will begin construction soon. As a part of this project, Oncor Electric Delivery must relocate existing electric transmission poles out of the right of way. The Discretionary Service Agreement will provide for the payment to relocate the overhead supply lines to accommodate the Moore Street project.

Origination:

Engineering Department

Financial Consideration:

The agreement results in \$73,478.00 of funds to be allocated from the project budget.

Staff Recommendation:

It is recommended that the Discretionary Service Agreement be approved and that the City Manager be authorized to execute the documents.

Alternatives:

As may be directed by the Council

Attachments

Resolution No. 6747

Agreement

Plans

Location Map

RESOLUTION NO. 6747

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; 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 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.

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 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: _____
NAME: _____
CITY ATTORNEY

**Tariff for Retail Delivery Service
Oncor Electric Delivery Company LLC**



6.3 Agreements and Forms

Applicable: Entire Certified Service Area

Effective Date: September 21, 2009

Page 1 of 2

6.3.5 Discretionary Service Agreement

WR # 3512045
Transaction ID: 12615

This Discretionary Service Agreement ("Agreement") is made and entered into this 21st day of June, 2021, by Oncor Electric Delivery Company LLC ("Oncor Electric Delivery Company" or "Company"), a Delaware limited liability company and distribution utility, and City of Sherman Texas ("Customer"), a municipality, each hereinafter sometimes referred to individually as "Party" or both referred to collectively as the "Parties". In consideration of the mutual covenants set forth herein, the Parties agree as follows:

1. **Discretionary Services to be Provided** -- Company agrees to provide, and Customer agrees to pay for, the following discretionary services in accordance with this Agreement.

Price to relocate existing Oncor Electric facilities from an existing easement to facilitate the construction of W. Moore St. The price for this work, collected in arrears after the completion of construction, will be \$73,478.00.

2. **Nature of Service and Company's Retail Delivery Service Tariff** -- Any discretionary services covered by this Agreement will be provided by Company, and accepted by Customer, in accordance with applicable Public Utility Commission of Texas ("PUC") Substantive Rules and Company's Tariff for Retail Delivery Service (including the Service Regulations contained therein), as it may from time to time be fixed and approved by the PUC ("Company's Retail Delivery Tariff"). During the term of this Agreement, Company is entitled to discontinue service, interrupt service, or refuse service initiation requests under this Agreement in accordance with applicable PUC Substantive Rules and Company's Retail Delivery Tariff. Company's Retail Delivery Tariff is part of this Agreement to the same extent as if fully set out herein. Unless otherwise expressly stated in this Agreement, the terms used herein have the meanings ascribed thereto in Company's Retail Delivery Tariff.

3. **Discretionary Service Charges** -- Charges for any discretionary services covered by this Agreement are determined in accordance with Company's Retail Delivery Tariff. Company and Customer agree to comply with PUC or court orders concerning discretionary service charges.

4. **Term and Termination** -- This Agreement becomes effective upon acceptance by Customer and continues in effect until payment is received. Termination of this Agreement does not relieve Company or Customer of any obligation accrued or accruing prior to termination.

5. **No Other Obligations** -- This Agreement does not obligate Company to provide, or entitle Customer to receive, any service not expressly provided for herein. Customer is responsible for making the arrangements necessary for it to receive any further services that it may desire from Company or any third party.

6. **Governing Law and Regulatory Authority** -- This Agreement was executed in the State of Texas and must in all respects be governed by, interpreted, construed, and enforced in accordance with the laws thereof. This Agreement is subject to all valid, applicable federal, state, and local laws, ordinances, and rules and regulations of duly constituted regulatory authorities having jurisdiction.

7. **Amendment** -- This Agreement may be amended only upon mutual agreement of the Parties, which amendment will not be effective until reduced to writing and executed by the Parties. But changes to applicable PUC Substantive Rules and Company's Retail Delivery Tariff are applicable to this Agreement upon their effective date and do not require an amendment of this Agreement.

8. **Entirety of Agreement and Prior Agreements Superseded** -- This Agreement, including all attached Exhibits, which are expressly made a part hereof for all purposes, constitutes the entire agreement and understanding between the Parties with regard to the service(s) expressly provided for in this Agreement. The Parties are not bound by or liable for any statement, representation, promise, inducement, understanding, or undertaking of any kind or nature (whether written or oral) with regard to the subject matter hereof not set forth or provided for herein. This Agreement replaces all prior agreements and undertakings, oral or written, between the Parties with regard to the subject matter hereof, including without limitation n/a, and all such agreements and undertakings are agreed by the Parties to no longer be of any force or effect. It is expressly acknowledged that the Parties may have other agreements covering other services not expressly provided for herein, which agreements are unaffected by this Agreement.

9. **Notices** -- Notices given under this Agreement are deemed to have been duly delivered if hand delivered or sent by United States certified mail, return receipt requested, postage prepaid, to:

- (a) If to Company:
Oncor Electric Delivery
c/o Richard Brewster
1616 Woodall Rodgers Frwy.
Dallas, TX 75202-1234

Tariff for Retail Delivery Service
Oncor Electric Delivery Company LLC



6.3 Agreements and Forms

Applicable: Entire Certified Service Area

Effective Date: September 21, 2009

Page 2 of 2

(b) If to Customer:
City of Sherman Texas
c/o Greg Perry, P.E.
220 W. Mulberry St.
Sherman, TX 75090

The above-listed names, titles, and addresses of either Party may be changed by written notification to the other.

10. **Invoicing and Payment** – Invoices for any discretionary services covered by this Agreement will be mailed by Company to the following address (or such other address directed in writing by Customer), unless Customer is capable of receiving electronic invoicing from Company, in which case Company is entitled to transmit electronic invoices to Customer.

City of Sherman Texas
c/o Greg Perry, P.E.
220 W. Mulberry St.
Sherman, TX 75090

If Company transmits electronic invoices to Customer, Customer must make payment to Company by electronic funds transfer. Electronic invoicing and payment by electronic funds transfer will be conducted in accordance with Company's standard procedures. Company must receive payment by the due date specified on the invoice. If payment is not received by the Company by the due date shown on the invoice, a late fee will be calculated and added to the unpaid balance until the entire invoice is paid. The late fee will be 5% of the unpaid balance per invoice period.

11. **No Waiver** -- The failure of a Party to this Agreement to insist, on any occasion, upon strict performance of any provision of this Agreement will not be considered to waive the obligations, rights, or duties imposed upon the Parties.

12. **Taxes** -- All present or future federal, state, municipal, or other lawful taxes (other than federal income taxes) applicable by reason of any service performed by Company, or any compensation paid to Company, hereunder must be paid by Customer.

13. **Headings** -- The descriptive headings of the various articles and sections of this Agreement have been inserted for convenience of reference only and are to be afforded no significance in the interpretation or construction of this Agreement.

14. **Multiple Counterparts** -- This Agreement may be executed in two or more counterparts, each of which is deemed an original but all constitute one and the same instrument.

15. **Other Terms and Conditions** –

(i) Customer has disclosed to Company all underground facilities owned by Customer or any other party that is not a public utility or governmental entity, that are located within real property owned by Customer. In the event that Customer has failed to do so, or in the event of the existence of such facilities of which Customer has no knowledge, Company, its agents and contractors, shall have no liability, of any nature whatsoever, to Customer, or Customer's agents or assignees, for any actual or consequential damages resulting from damage to such undisclosed or unknown facilities.

(ii) City of Sherman Texas agrees that payment shall be made within 30 days of the date the project is completed or the date the invoice is received, whichever is later.

(iii) The Discretionary Service Charges provided in this agreement are for Oncor Electric Delivery facilities only and do not include any charges related to the relocation of any facilities owned by a franchised utility, governmental entity, or licensed service provider (Joint User). The customer must contact all Joint Users and make arrangements to have their facilities transferred or relocated. Oncor Electric Delivery cannot complete the relocation/removal of facilities outlined in this agreement until Joint User(s) remove their facilities attached to Oncor Electric Delivery Poles.

(iv)

Price for requested work by Oncor is \$73,478.00.

IN WITNESS WHEREOF, the Parties have caused this Agreement to be signed by their respective duly authorized representatives.

Oncor Electric Delivery Company LLC

DocuSigned by:

Richard Brewster

Signature 459C572405...

Richard Brewster

Printed Name

PMDS Design Supervisor

Title

June 4, 2021

Date

City of Sherman Texas

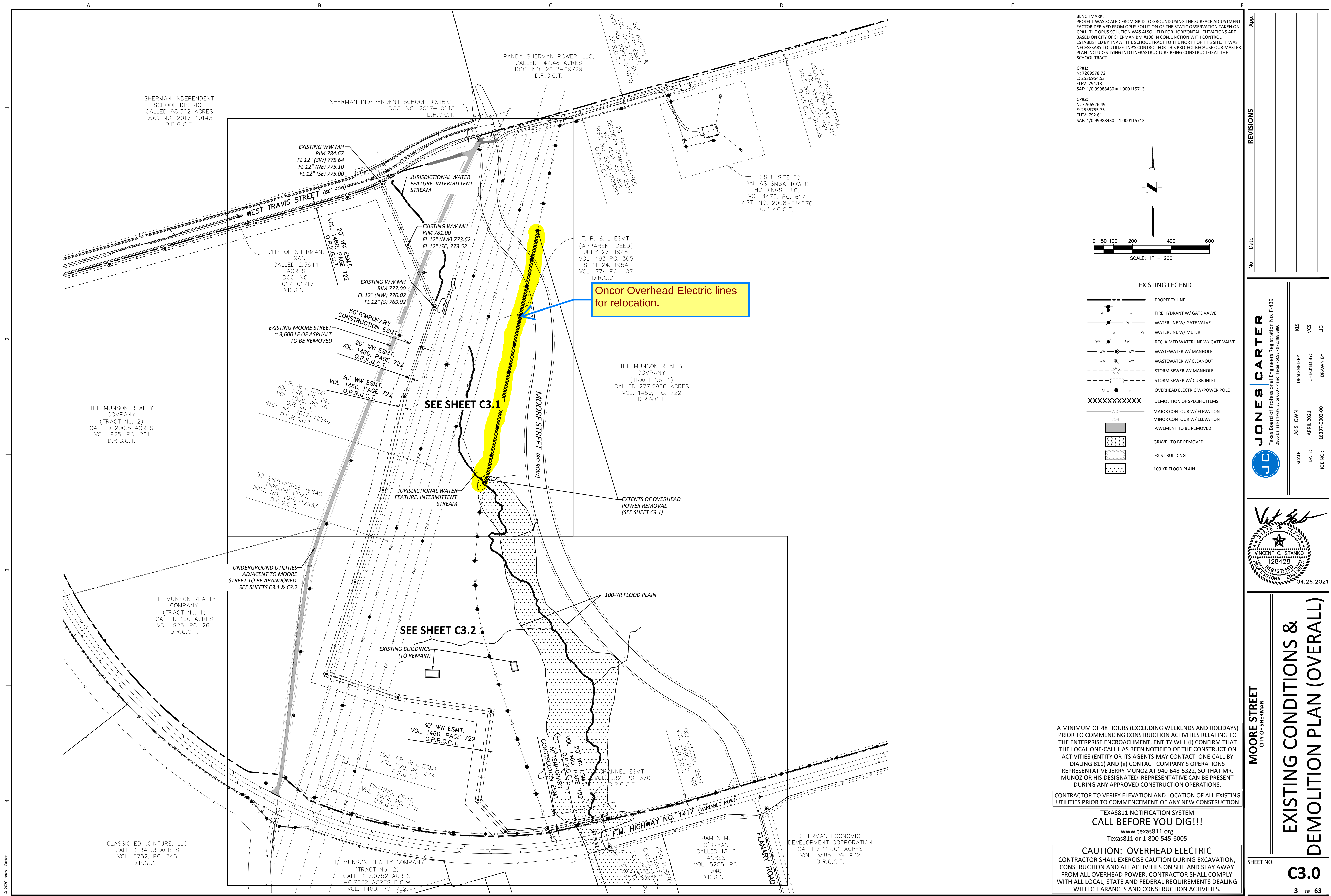
Customer / Entity

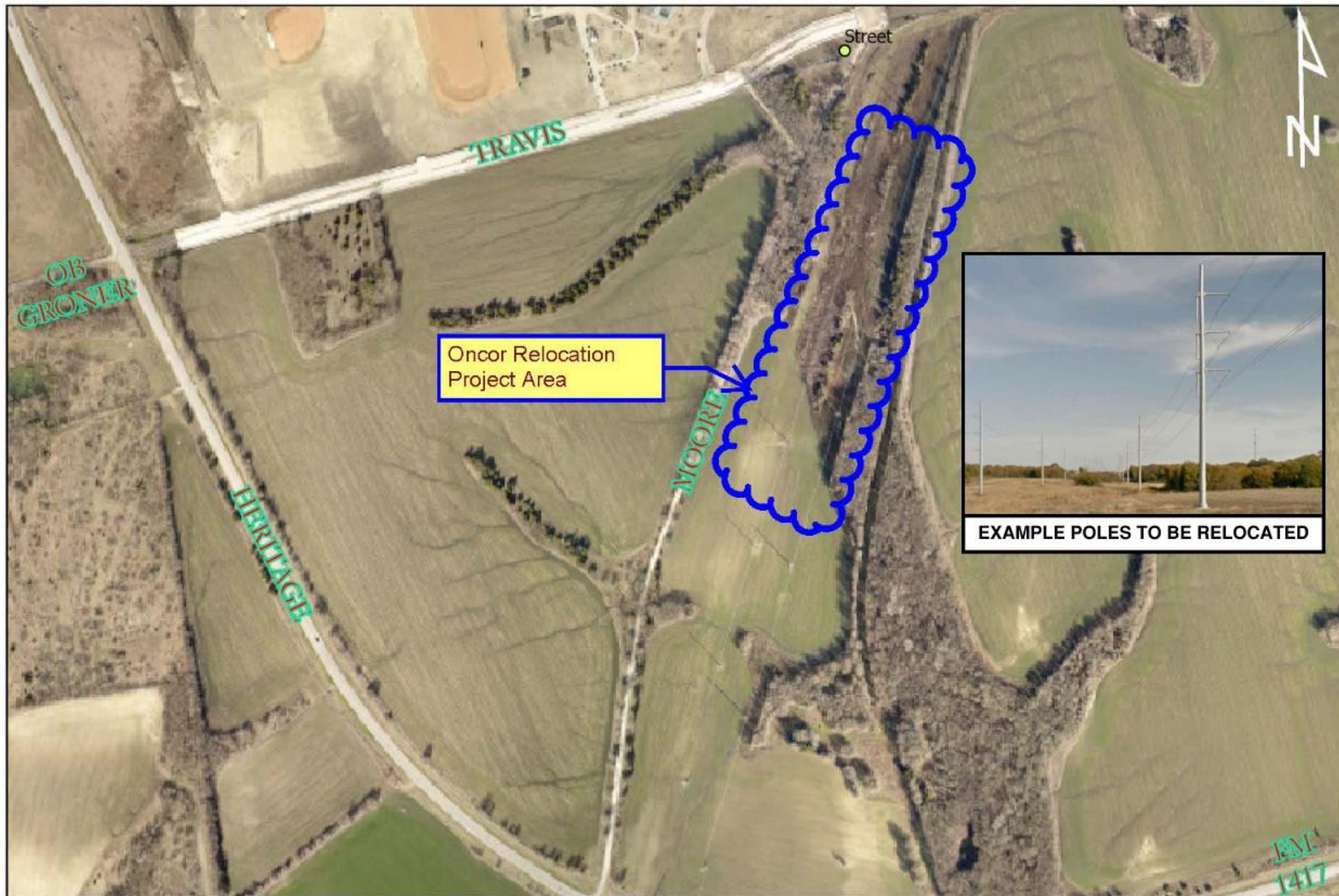
Signature

Printed Name

Title

Date







SHERMAN CITY COUNCIL

Agenda Communication Form

City Council Regular Meeting

E. 3.

Meeting Date: 06/21/2021

Prepared By: Tom Pruitt, Utility Engineer

Approved By: Robby Hefton, City Manager

Caption:

*** RESOLUTION NO. 6748**

Authorizing Execution of a Professional Services Agreement with Garver, LLC for Wastewater Vulnerability Assessments

Issue:

To consider a contract for professional services with Garver, LLC for engineering services for Wastewater Vulnerability Assessments

Background:

The consultant will be conducting an initial evaluation, providing recommendations for security protection measures and developing annual checklists for staff to conduct future assessments. This undertaking will improve facility security and will meet Federal Water Sector risk assessment standards as required in 30 TAC §217.322.

Origination:

Engineering Department

Financial Consideration:

The total Engineering Services fee will be \$67,194.00. Funding is in the WWTP Operating Budget for fiscal year 2021.

Staff Recommendation:

It is recommended that the contract for professional services with Garver, LLC for Wastewater Vulnerability Assessments be approved.

Alternatives:

As may be directed by the City Council

Attachments

Resolution No. 6748
Agreement
Location Map

RESOLUTION NO. 6748

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; 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 a Professional Services Agreement with Garver, LLC for Wastewater Vulnerability Assessments, in accordance with 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 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: _____
NAME: _____
CITY ATTORNEY

Professional Services/Consultant Agreement

ENGINEERING SERVICES AGREEMENT

This AGREEMENT or CONTRACT is made and entered into this ____ day of _____ 20__, by and between the City of Sherman, Texas hereinafter also called the OWNER or City, and Garver, LLC hereinafter called the ENGINEER or Consultant. On consideration of the mutual agreements herein and subject to the following terms and conditions, the parties mutually agree as follows:

ARTICLE I. SERVICES TO BE PROVIDED

ENGINEER agrees to furnish professional engineering services in accordance with the terms and conditions of this AGREEMENT (1) with the professional skill and care ordinarily provided by competent engineers practicing in the same or similar locality and under the same or similar circumstances and professional license; and (2) as expeditiously as is prudent considering the ordinary professional skill and care of a competent engineer.

ENGINEER shall conduct professional engineering services generally described as follows:

Wastewater Vulnerability Assessments

ARTICLE II. SCOPE OF WORK

During the term of this AGREEMENT, ENGINEER shall perform at the request and satisfaction of the Engineering Department of the City of Sherman, the stated services and the indicated fee schedule attached as **EXHIBIT A**.

ARTICLE III. TERM

The contract term shall commence on the date of this AGREEMENT and be completed by Garver, LLC. The contract term may be extended by mutual AGREEMENT of the parties.

ARTICLE IV. PROJECT INITIATION

Prior to the OWNER issuing a work order to proceed with any assessments, surveys, or other related work, ENGINEER shall provide OWNER with a written proposal detailing the scope of services and providing a fee estimate for proposed work. Said costs are to be based on the attached fee schedule. Final cost, excluding an approved change order, may not exceed the cost estimate by more than 10 percent without written approval of the OWNER.

ARTICLE V. FEES

Fees for services performed under this AGREEMENT shall be based on an hourly rate for personnel, equipment, and related services as detailed on the fee schedule attached as **EXHIBIT A** to this AGREEMENT. Subcontract services such as consulting with other engineers, as well as other services not specifically listed on the fee schedule, will be performed by subconsultants who operate under a subcontract agreement with ENGINEER. Fees shall be payable from the currently available funds. In the event funds are not available, ENGINEER shall not be obligated to perform the work.

ARTICLE VI. PAYMENT TERMS

ENGINEER will invoice OWNER for work performed on a monthly basis. In the case of short duration projects, invoicing will be upon project completion, with the invoice issued upon delivery of appropriate proposals or documents. Alternative invoicing methods may be acceptable provided they are agreed to prior to the work being undertaken.

ARTICLE VII. INSURANCE

Prior to the commencement of services under this AGREEMENT, ENGINEER shall obtain standard professional liability insurance coverage in an amount of at least \$1,000,000.00 per claim with a \$2,000,000.00 aggregate policy limit per year, covering the services provided under this AGREEMENT. A "claims made" policy is acceptable subject to coverage being maintained during the course of the PROJECT and up to two (2) years after completion and acceptance of PROJECT by the City. ENGINEER shall maintain such coverage during all phases of engineering services and for two (2) years after substantial completion of the PROJECT. The OWNER shall be supplied with a certificate of such coverage which shall provide for a thirty (30) day notice of cancellation, non-renewal, or change in limits by endorsement; ENGINEER shall provide such notice to the OWNER by certified mail.

ENGINEER will maintain general insurance coverage as follows:

- A. Worker's Compensation Insurance – Statutory as required by the Texas Labor Code.
- B. Employer's Liability Insurance - \$100,000 per accident; \$300,000 per disease; \$100,000 occupational disease per employee.
- C. Commercial General Liability Insurance - \$2,000,000 per occurrence; \$2,000,000 aggregate policy limit applies per project.
- D. Automobile Liability Insurance - \$1,000,000 CSL
- E. Professional Liability - \$1,000,000 per claim; \$2,000,000 aggregate policy limit. A "claims made" policy is acceptable subject to coverage being maintained during the course of the project and up to two (2) years after completion and acceptance of the project by the City.

ENGINEER shall maintain such professional liability coverage during all phases of engineering services and for two (2) years after substantial completion of the PROJECT. The OWNER shall be supplied with a certificate of such coverage which shall provide for a thirty (30) day notice of cancellation, non-renewal, or change in limits by endorsement; ENGINEER shall provide such notice to the OWNER by certified mail.

The OWNER, City of Sherman, including its officers, officials, employees, Boards and Commissions, and volunteers shall be named as an additional insured by endorsement to the general insurance coverage listed in this AGREEMENT, excluding Workers' Compensation, Employers' Liability, and Professional Liability (for which a waiver of subrogation is required to be issued in favor of the OWNER), with regard to the ENGINEER'S activities as required by this CONTRACT. The coverage shall contain no

special limitations on the scope of protection afforded to the OWNER, and all premiums arising from the coverage herein shall be the responsibility of the ENGINEER.

ARTICLE VIII. INDEMNIFICATION

The ENGINEER shall hold harmless and indemnify the OWNER from all claims and liability for damage arising out of or in connection with this CONTRACT to the extent that the damage is caused by or results from failure by the ENGINEER or the ENGINEER'S agent, consultant under contract, or another entity over which the ENGINEER exercises control to perform services with the professional skill and care ordinarily provided by competent engineers practicing in the same or similar locality and under the same or similar circumstances and professional license and as expeditiously as is prudent considering the ordinary professional skill and care of a competent engineer, or that results from an act of negligence, intentional tort, intellectual property infringement, or failure to pay a subcontractor or supplier committed by the ENGINEER or the ENGINEER'S agent, consultant under contract, or another entity over which the ENGINEER exercises control in the performance of services under this CONTRACT. The ENGINEER shall also save harmless the OWNER from any and all expenses, including attorney fees which might be incurred by the OWNER in litigation or otherwise resisting said claim or liabilities, which might be imposed on the OWNER as the result of such negligent acts or omissions by the ENGINEER in proportion to the ENGINEER'S liability.

ENGINEER further agrees that during the course and scope of this AGREEMENT, except with OWNER'S knowledge and consent, ENGINEER shall not represent any third party against the OWNER in any claim, litigation, or other matter, or be retained to act as an expert witness for any third party in any claim, litigation, or any other matter that is, or may be, adversarial to the OWNER, as determined by the OWNER.

Acceptance by the OWNER of the ENGINEER'S work shall not constitute nor be deemed a release of the responsibility and liability of ENGINEER, its employees, subcontractors, agents, or consultants for the accuracy and competency of ENGINEER'S work; nor shall such acceptance be deemed to be an assumption of such responsibility by the OWNER for any defect, error, or omission in the ENGINEER'S work, its employees, subcontractors, agents, and consultants. ENGINEER, shall as a part of the existing authorized fees hereunder, meaning without additional costs or fee to the Owner, correct or revise any errors or deficiencies in his performance.

The parties hereby acknowledge and agree that OWNER is entering into this AGREEMENT pursuant to its governmental functions and that nothing contained in the AGREEMENT shall be construed as constituting a waiver of the OWNER'S governmental immunity from suit or liability, which is expressly reserved to the extent allowed by law. Notwithstanding anything to the contrary herein, the parties hereby acknowledge and agree that to the extent this AGREEMENT is subject to the provisions of Subchapter I of Chapter 271, TEXAS LOCAL GOVERNMENT CODE, as amended, the OWNER'S immunity from suit is waived only as set forth in Subchapter I of Chapter 271, TEXAS LOCAL GOVERNMENT CODE. Further, the parties agree that this AGREEMENT is made subject to all applicable provisions of the Texas Civil Practices and Remedies Code ("CPRC"), including but not limited to all defenses, limitations, and exceptions to the limited waiver of immunity from liability provided in Chapter 101 and Chapter 75.

**ARTICLE IX.
COMPLIANCE WITH LAWS**

The ENGINEER, its consultants, agents, employees and subcontractors shall comply with all applicable Federal and State laws, charter and ordinances of the City of Sherman, as amended, and all other applicable rules and regulations promulgated by local, state and national boards, bureaus and agencies. ENGINEER shall complete only the professional engineering services as required in the performance of the services contracted for herein.

**ARTICLE X.
OWNER'S RIGHTS AND OWNERSHIP OR DOCUMENTS**

All ENGINEER'S designs and work products under this AGREEMENT including, but not limited to, tracings, drawings, plans, specifications, studies and other documents completed or partially completed, shall be the property of the City, to be used as the City desires, without restriction. ENGINEER specifically waives and releases any proprietary rights or ownership claims herein. Any modification or use of the aforementioned designs and/or work products for future projects, shall be without use of ENGINEER's name or registration seal and without any liability to the ENGINEER, its agents, employees, subcontractors and consultants.

**ARTICLE XI.
SUCCESSORS AND ASSIGNS**

The City and the ENGINEER each bind himself, his partners, successors, assigns and legal representatives to the other party to this AGREEMENT and to the partners, successors, assigns and legal representatives of such other party with respect to all covenants of this AGREEMENT. The ENGINEER shall not assign, sublet or transfer its interest in this AGREEMENT without the written consent of the City.

**ARTICLE XII.
PROVISION FOR TERMINATION/INTERRUPTION**

The City may terminate or suspend the ENGINEER'S services under this AGREEMENT at any time upon paying all sums due the ENGINEER for work to time of termination and after giving the ENGINEER seven (7) calendar days prior written notice by certified mail, stating the reason for such termination or suspension.

In the event of termination or abandonment of the ENGINEER'S services under this AGREEMENT, payment shall be made to the ENGINEER for all services performed to the date of same.

Upon payment in the event of termination or abandonment, all documents prepared by the ENGINEER shall become the property of the City.

If this AGREEMENT is terminated because of material breach of this AGREEMENT by the ENGINEER, the City may have the remaining work and services to be performed by the ENGINEER performed by another engineer, and the ENGINEER shall be liable to the City for any excess costs accrued by the City thereof.

**ARTICLE XIII.
CONFIDENTIALITY**

ENGINEER will maintain as confidential any documents or information provided by OWNER and will not release or publish same to any third party without prior permission from OWNER, unless compelled by law or order of a court or regulatory body of competent jurisdiction. Such release will occur only after prior notice to OWNER.

**ARTICLE XIV.
GOVERNING LAW**

This AGREEMENT shall be governed in all respects by the laws of the State of Texas. Venue for this AGREEMENT shall be exclusively in Grayson County, Texas.

**ARTICLE XV.
SURVIVAL**

All provisions of this AGREEMENT for indemnity or allocation of responsibility or liability between OWNER and ENGINEER shall survive the completion of the services and the termination of the AGREEMENT.

**ARTICLE XVI.
SEVERABILITY**

In the event that any provision of the AGREEMENT is found to be unenforceable under law, the remaining provisions shall continue in full force and effect.

**ARTICLE XVII.
ENGINEERS SEAL**

The ENGINEER shall place a Texas Professional Engineer's seal of endorsement on all documents and engineering data furnished by ENGINEER to the Owner.

**ARTICLE XVIII.
PUBLIC FUNDING**

This Contract is subject to the appropriation of public funds by the City in its budget adopted for any fiscal year for the specific purpose of making payments pursuant to this Contract for that fiscal year. The obligation of the City pursuant to this Contract in any fiscal year for which this Contract is in effect shall constitute a current expense of the City for that fiscal year only, and shall not constitute an indebtedness of the City of any monies other than those lawfully appropriated in any fiscal year. In the event of non-appropriation of funds in any fiscal year to make payments pursuant to this Contract, this Contract may be terminated without any liability to either party.

**ARTICLE XIX.
EXTENT OF AGREEMENT**

This AGREEMENT represents the entire and integrated AGREEMENT between the City and the ENGINEER and supersedes all prior negotiations, representations or agreements, either written or oral.

EXECUTED in three (3) counterparts (each of which is an original) on behalf of ENGINEER shown below, and on behalf of the OWNER this ____ day of _____, 20 ____.

OWNER:
CITY OF SHERMAN, TEXAS

ENGINEER:
Garver, LLC

Robby Hefton, City Manager



Lance Klement, North Texas Water Team Leader

ATTEST:

ATTEST:



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

BY: _____

NAME: _____
CITY ATTORNEY

CORPORATE ACKNOWLEDGMENT

THE STATE OF TEXAS §
COUNTY OF Collin §
 §

BEFORE ME, the undersigned authority, a Notary Public in and for said County and State, on this day personally appeared Lance Klement of Garver, LLC known to me to be the person and officer whose name is subscribed to the foregoing instrument and acknowledged to me that the same was the act of the said Garver, LLC, a corporation, that (s)he was duly authorized to perform the same by appropriate resolution of the board of directors of such corporation for the purposes and consideration therein expressed, and in the capacity therein stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this the 3rd day of June, A.D. 2021.



Notary Public In and For Collin County, Texas

My Commission Expires:
02-26-2023

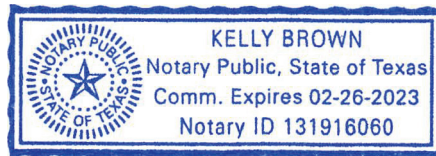


EXHIBIT A
SCOPE OF SERVICES, FEE, AND RATE SCHEDULE



3010 Gaylord Parkway
Suite 190
Frisco, TX 75034
TEL 972.377.7480
FAX 972.377.8380
www.GarverUSA.com

SCOPE OF SERVICES

General

Generally, the scope of services for a vulnerability assessment includes a risk and resilience assessment (RRA) of the City of Sherman's ("CITY") Post Oak Wastewater Treatment Plant (WWTP) utilizing the United States Environmental Protection Agency's (USEPA) Vulnerability Self-Assessment Tool (VSAT 2.0). The Post Oak WWTP employs a conventional activated sludge treatment process to treat domestic, commercial, and industrial wastewater loads. This assessment will evaluate physical security, system redundancy, and resilience to natural hazards and terroristic events and provide recommendations for improvements to the Post Oak WWTP.

1. Project Administration

1.1. Kick-off Meeting

GARVER will hold a kick-off meeting with the CITY and shall identify and confirm critical facilities to be included in the assessment through discussion with CITY staff, discuss PROJECT scope, introduce teams, lines of communication, and project schedule.

1.2. Progress Meetings

GARVER will plan and participate in up to three (3) progress meetings in addition to the workshops to facilitate PROJECT coordination, timeliness, and budget compliance, and will prepare meeting summary (meeting minutes) and distribute to participants.

1.3. Project Management and Quality Control/Assurance Plan

- A. GARVER will prepare and provide up to six (6) monthly progress/status reports, sufficient to support monthly billings. Monthly status reports shall be submitted with monthly invoices and project updates. GARVER will manage all efforts of the project team, individual team members, and maintain appropriate records and documentation of project decisions, modifications, activities, communication, correspondence, and schedules.
- B. GARVER will develop a Project Management Plan and Quality Control/Assurance Plan for internal use and will perform Quality Assurance/Quality Control (QA/QC) reviews at major milestones of the project.

2. Data Review

GARVER will prepare and submit a data request to the CITY for available critical facility information, such as:

- Critical facility record drawings/as-builts
- Process and Instrumentation Diagrams (PIDs)
- Electrical as-builts of each critical facility
- SCADA network diagram and security levels/settings
- IT infrastructure diagram and/or financial software system configuration diagram, number of internet connections, and security levels/settings
- Previous applicable studies and reports, such as:
 - Risk Management Program(s) (RMPs)
 - Cybersecurity Assessments

- Wastewater Master Plan(s)
- Security Audit(s)

GARVER will review available, existing materials and reports provided by the CITY. The data reviewed will be used in the development of the PROJECT documents. GARVER will provide a secure SharePoint website for documentation to be shared between the parties. GARVER will provide a review of the existing documentation and develop a list of items that will require further support or development during the assessment project.

3. Wastewater Vulnerability Assessment

Pursuant to this task, GARVER will develop the Risk and Resilience Assessment utilizing GARVER's RRA Tool and QC check using the USEPA's VSAT 2.0 web-based tool. The tool stores prioritized facilities, existing countermeasures, threats specific to the CITY, and proposed countermeasures. Threats include both terrorist and intentional acts, natural hazards, and dependency/proximity threats. The tool's database can be easily reviewed and updated periodically, as needed.

The tasks and objectives are as follows:

3.1. Facility Identification

- A. During the Kick-off meeting (Task 1.1) with the CITY, GARVER shall identify and confirm critical facilities to be analyzed through discussion with CITY staff. The number of identified critical facilities shall be up to eighteen (18) WWTP facilities. The major assets at each facility will be considered during the assessment but individual analyses will not be conducted for each asset. Detailed analyses will only be included at the facility level. The following table contains Garver's proposed facility list. A finalized facility list will be developed at the Kick-off Meeting.

No.	Wastewater Treatment Plant Facility
1.	Headworks
2.	Equalization Basin Blower Facility
3.	Equalization Basin
4.	Primary Clarifiers
5.	Transfer Station
6.	Aeration Basins
7.	Aeration Basin Pump Control Building
8.	Aeration Basin Blower Building
9.	Aeration Basin Air System
10.	Biological Clarifiers
11.	Thickener Building
12.	Digester Control Room
13.	Digestion
14.	Sludge Dewatering Building
15.	Ultraviolet Disinfection Building
16.	Effluent Building

17.	Effluent Lift Station
18.	General WWTP Site and Laboratory Building

3.2. Site Visit and O&M Workshop

- A. GARVER will conduct an initial Workshop with CITY Staff and Operators to document current CITY operation and maintenance practices. Following the Workshop, GARVER will conduct a site walkthrough at each of the identified critical facilities, accompanied by CITY Staff and Operators, to gather facility-specific information related to the resilience characteristics and security measures present at each facility. The site visit is assumed to take two days.

3.3. Assessment Tool Setup and Database Compilation

- A. GARVER will utilize the assessment tool to create a database with current information including facilities, threats, risk assessments, and countermeasures.
 - a. GARVER will document features present in the tool specific to the CITY, including the reference threats and countermeasures from the ASME/ANSI J100 "Risk and Resilience Management of Water and Wastewater Systems" standard, and the AWWA G430 including man-made, cyber, and natural threats.

3.4. Vulnerability Assessment

- A. GARVER will conduct a baseline risk analysis of identified facilities utilizing the USEPA's standard threat likelihoods: summarize existing facilities characteristics related to mitigating risk and quantify the CITY's existing exposure to risk using a monetary basis. GARVER will develop a DRAFT Wastewater Vulnerability Assessment Technical Memorandum (TM) detailing the assessment of risks to, and resilience of the wastewater treatment system, including:
 - The risk to the system from malevolent acts and natural hazards;
 - The resilience of the critical facilities utilized by the system;
 - System redundancy, including spare parts and backup power;
 - The monitoring practices of the system;
 - The financial infrastructure of the system;
 - The use, storage, or handling of various chemicals by the system; and
 - The operation and maintenance of the system.

The analysis will identify the critical facility and associated threats that pose the highest risk to the utility.

3.5. Improvements Analysis

- A. GARVER will complete an improvements analysis and develop proposed countermeasure packages.
- B. GARVER will hold a Workshop with the CITY to review proposed countermeasure packages.
- C. GARVER will prepare cost/risk analyses, identify a prioritization and implementation plan based on existing or future budgets, and update database.
- D. GARVER will hold a Workshop with the CITY to review the Baseline, Improvements, and Cost/Risk Analyses to discuss CITY's comments and implement updates to the DRAFT analyses per CITY's comments.

3.6. Wastewater Vulnerability Assessment Technical Memorandum

- A. GARVER will develop a DRAFT Wastewater Vulnerability Assessment TM including the baseline risk and improvements analysis for CITY's review. The TM will include the GARVER VSAT Tool

and VSAT tool inputs and improvements analysis results and be submitted in electronic format (PDF).

- B. GARVER will conduct a Workshop with CITY to review the DRAFT Wastewater Vulnerability Assessment TM. CITY comments will be discussed.
 - a. GARVER will implement updates to the DRAFT Wastewater Vulnerability Assessment TM and proposed countermeasure packages per Workshop discussion.
- C. GARVER will address the CITY's comments and provide a FINAL Wastewater Vulnerability Assessment TM, along with the electronic tool and VSAT files.

3.7. Deliverables

The following will be submitted to the Owner, or others as indicated, by GARVER:

- A. 1 electronic (PDF) copy of the Draft Wastewater Facility Assessment TM.
- B. 1 electronic (PDF) copy of the Final Wastewater Facility Assessment TM.
- C. Three copies of the Final Wastewater Facility Assessment TM.
- D. Electronic copies of the Garver VSAT spreadsheet and VSAT 2.0 database.

4. Extra Work

The following items are not included under this agreement but will be considered as extra work:

- A. Evaluation of additional facilities or increased granularity of system components.
- B. Cataloging of asset technical details and characteristics.
- C. Submittals or deliverables in addition to those listed herein.
- D. Design of any water or sewer infrastructure.
- E. Environmental Handling and Documentation, including wetlands identification or mitigation plans or other work related to environmentally or historically (culturally) significant items.
- F. Coordination with FEMA and preparation/submittal of a CLOMR and/or LOMR.
- G. Workshops or site visits in addition to those listed herein.

Extra Work will be as directed by the Owner in writing for an addition fee as agreed upon by the Owner and GARVER.

5. Schedule

GARVER shall begin work under this Agreement within ten (10) days of a Notice to Proceed and shall complete the work in accordance with the schedule below:

Task	Phase Description	Calendar Days
Task 1	Project Administration	
Task 1.1	Kickoff Meeting	30 days from NTP
Task 1.2	Progress Meetings	Ongoing
Task 1.3	Project Management & Quality Assurance/Quality Control Plan	21 days from Task 1.1
Task 2	Data Review	
	Data Request	14 days from NTP
	Data Review	14 days from receipt of data
Task 3	Wastewater Vulnerability Assessment	

Task 3.1	Facility Identification	7 days from Task 1.1 & Owner Approval
Task 3.2	Site Visit & O&M Workshop	21 days from Task 3.1
Task 3.3	Assessment Tool Setup & Database Compilation	21 days from Task 3.2
Task 3.4	Vulnerability Assessment	45 days from Task 3.3
Task 3.5	Improvements Analysis	45 days from Task 3.4
Task 3.5.D	Workshop: Baseline, Improvements, and Cost/Risk Analysis	7 days from completion of Improvements Analysis
Task 3.6	Wastewater Vulnerability Assessment TM	45 days from receipt of Baseline, Improvements, and Cost/Risk Workshop comments
Task 3.6.B	Workshop: Draft WW Vulnerability Assessment TM	7 days from completion of Draft TM

¹City reviews are assumed to be fourteen (14) days.

City of Sherman

Wastewater Vulnerability Assessment

FEE SUMMARY

			FEE TYPE
Task 1 - Project Administration	\$	5,862.00	LUMP SUM
Task 2 - Data Review	\$	4,212.00	LUMP SUM
Task 3 - Wastewater Vulnerability Assessment	\$	57,120.00	LUMP SUM
TOTAL FEE	\$	67,194.00	LUMP SUM



City of Sherman
Wastewater Vulnerability Assessment
Garver Hourly Rate Schedule: July 2021 - June 2022

Classification	Rates
Engineers / Architects	
E-1.....	\$ 115.00
E-2.....	\$ 135.00
E-3.....	\$ 161.00
E-4.....	\$ 189.00
E-5.....	\$ 230.00
E-6.....	\$ 283.00
E-7.....	\$ 376.00
Planners / Environmental Specialist	
P-1.....	\$ 138.00
P-2.....	\$ 174.00
P-3.....	\$ 206.00
P-4.....	\$ 242.00
P-5.....	\$ 279.00
P-6.....	\$ 319.00
Designers	
D-1.....	\$ 107.00
D-2.....	\$ 125.00
D-3.....	\$ 150.00
D-4.....	\$ 174.00
Technicians	
T-1.....	\$ 84.00
T-2.....	\$ 106.00
T-3.....	\$ 130.00
Surveyors	
S-1.....	\$ 52.00
S-2.....	\$ 68.00
S-3.....	\$ 92.00
S-4.....	\$ 131.00
S-5.....	\$ 174.00
S-6.....	\$ 198.00
2-Man Crew (Survey).....	\$ 209.00
3-Man Crew (Survey).....	\$ 261.00
2-Man Crew (GPS Survey).....	\$ 229.00
3-Man Crew (GPS Survey).....	\$ 281.00
Construction Observation	
C-1.....	\$ 101.00
C-2.....	\$ 130.00
C-3.....	\$ 159.00
C-4.....	\$ 196.00
Management/Administration	
X-1.....	\$ 66.00
X-2.....	\$ 90.00
X-3.....	\$ 125.00
X-4.....	\$ 159.00
X-5.....	\$ 195.00
X-6.....	\$ 241.00



Sherman
CLASSIC TOWN. BROAD HORIZON.



SHERMAN CITY COUNCIL

Agenda Communication Form

City Council Regular Meeting

E. 4.

Meeting Date: 06/21/2021

Prepared By: Mary Lawrence, Director of Finance

Approved By: Robby Hefton, City Manager

Caption:

*** 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

Issue:

Independent audit services for fiscal year (FY) 2021

Background:

By Charter, we are required to annually appoint an independent auditor to perform a financial audit for the City. Pattillo, Brown & Hill, L.L.P. ("PBH") performed the audit last fiscal year. Two optional renewals remain on the contract with PBH. The staff and Council Audit Committee were pleased with the firm's performance and are recommending the reappointment of PBH to perform the FY 2021 audit.

Origination:

Council Audit Committee

Mary Lawrence, Finance Director

Financial Consideration:

The fee estimate for FY 2021 audit services is \$46,400.00 for the City and \$5,200.00 for the Sherman Economic Development Corporation (SEDCO). Funds have been allocated in the FY 2022 budget for this expenditure.

Staff Recommendation:

The staff recommends the City Council accept the recommendation of the Council Audit Committee to appoint Pattillo, Brown & Hill, L.L.P. to perform the annual audit for the fiscal year ending September 30, 2021.

Alternatives:

The City Council could instruct the staff to solicit proposals from other firms.

Attachments

Resolution No. 6749

FY2021 Audit Engagement Letter

Audit Committee Memo

RESOLUTION NO. 6749

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, APPOINTING AND AUTHORIZING THE EXECUTION OF AN AGREEMENT WITH PATTILLO, BROWN & HILL, L.L.P. TO PERFORM THE FISCAL YEAR 2021 AUDIT; 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 Council hereby appoints Pattillo, Brown & Hill, L.L.P. to perform the annual audit for the City of Sherman for fiscal year ending September 30, 2021.

SECTION 2. That the City Manager be and is hereby authorized and directed, subject to all agreement documents being properly completed and approved as to form and content by the City Attorney, to execute a contract with Pattillo, Brown & Hill, L.L.P. to perform the annual audit for the City of Sherman for the fiscal year ending September 30, 2021.

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, TX 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: _____
NAME: _____
CITY ATTORNEY



June 10, 2021

City of Sherman, Texas
405 North Rusk Street, 3rd Floor
Sherman, Texas 75091-1106

Dear City Council and Director of Finance:

You have requested that we audit the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Sherman, Texas (the "City"), as of September 30, 2021, and for the year then ended, and the related notes to the financial statements, which collectively comprise the City of Sherman, Texas' basic financial statements as listed in the table of contents. In addition, if required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), we will audit the City's compliance over major federal award programs for the period ended September 30, 2021. We are pleased to confirm our acceptance and our understanding of this audit engagement by means of this letter. Our audits will be conducted with the objectives of our expressing an opinion on each opinion unit and an opinion on compliance regarding the City's major federal award programs.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, certain budgetary comparison information, certain pension related information and certain post-retirement health care plan information be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. As part of our engagement, we will apply certain limited procedures to the required supplementary information (RSI) in accordance with auditing standards generally accepted in the United States of America. These limited procedures will consist primarily of inquiries of management regarding their methods of measurement and presentation and comparing the information for consistency with management's responses to our inquiries. We will not express an opinion or provide any form of assurance on the RSI. The following RSI is required by accounting principles generally accepted in the United States of America. This RSI will be subjected to certain limited procedures but will not be audited:

- Management's Discussion and Analysis.
- Budgetary Comparison Information.
- Schedule of Changes in Net Pension and Other Postemployment Benefits (OPEB) Liability and Related Ratios.
- Schedule of Employer Pension Contributions.

OFFICE LOCATIONS

TEXAS | Waco | Temple | Hillsboro | Houston
NEW MEXICO | Albuquerque



Supplementary information other than RSI will accompany City of Sherman, Texas' basic financial statements. We will subject the following supplementary information to the auditing procedures applied in our audit of the basic financial statements and certain additional procedures, including comparing and reconciling the supplementary information to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and additional procedures in accordance with auditing standards generally accepted in the United States of America. We intend to provide an opinion on the following supplementary information in relation to the financial statements as a whole:

- Combining and individual fund financial statements and schedules.

Schedule of Expenditures of Federal Awards

We will subject the Schedule of Expenditures of Federal Awards to the auditing procedures applied in our audit of the basic financial statements and certain additional procedures, including comparing and reconciling the schedule to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and additional procedures in accordance with auditing standards generally accepted in the United States of America. We intend to provide an opinion on whether the Schedule of Expenditures of Federal Awards is presented fairly in all material respects in relation to the financial statements as a whole.

Also, the document we submit to you will include the following other additional information that will not be subjected to the auditing procedures applied in our audit of the financial statements:

- Introductory Section.
- Statistical Section.

Data Collection Form

Prior to the completion of our engagement, we will complete the sections of the Data Collection Form that are our responsibility. The form will summarize our audit findings, amounts and conclusions. It is management's responsibility to submit a reporting package including financial statements, the Schedule of Expenditures of Federal Awards, the Summary Schedule of Prior Audit Findings and corrective action plan along with the Data Collection Form to the federal audit clearinghouse. The financial reporting package must be text searchable, unencrypted, and unlocked. Otherwise, the reporting package will not be accepted by the federal audit clearinghouse. We will assist you in the electronic submission and certification. You may request from us copies of our report for you to include with the reporting package submitted to pass-through entities.

The Data Collection Form is required to be submitted within the *earlier* of 30 days after receipt of our auditors' reports or nine months after the end of the audit period, unless specifically waived by a cognizant or oversight agency for audits. Data Collection Forms submitted untimely are one of the factors in assessing programs at a higher risk.

Audit of the Financial Statements

We will conduct our audit in accordance with auditing standards generally accepted in the United States of America (U.S. GAAS), the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States of America; the audit requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards, and the Uniform Guidance require that we plan and perform the audit to obtain

reasonable assurance about whether the basic financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to error, fraudulent financial reporting, misappropriation of assets, or violations of laws, governmental regulations, grant agreements, or contractual agreements.

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. If appropriate, our procedures will therefore include tests of documentary evidence that support the transactions recorded in the accounts and direct confirmation of cash, investments, and certain other assets and liabilities by correspondence with creditors and financial institutions. As part of our audit process, we may request written representations from your attorneys, and they may bill you for responding. At the conclusion of our audit, we will also request certain written representations from you about the financial statements and related matters.

Because of the inherent limitations of an audit, together with the inherent limitations of internal control, an unavoidable risk that some material misstatements or noncompliance (whether caused by errors, fraudulent financial reporting, misappropriation of assets, detected abuse, or violations of laws or governmental regulations) may not be detected exists, even though the audit is properly planned and performed in accordance with U.S. GAAS and *Government Auditing Standards* of the Comptroller General of the United States of America. Please note that the determination of abuse is subjective, and *Government Auditing Standards* does not require auditors to detect abuse.

In making our risk assessments, we consider internal control relevant to the City's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. However, we will communicate to you in writing concerning any significant deficiencies or material weaknesses in internal control relevant to the audit of the financial statements that we have identified during the audit. Our responsibility as auditors is, of course, limited to the period covered by our audit and does not extend to any other periods.

We will issue a written report upon completion of our audit of City of Sherman, Texas' basic financial statements. Our report will be addressed to the governing body of City of Sherman, Texas. We cannot provide assurance that unmodified opinions will be expressed. Circumstances may arise in which it is necessary for us to modify our opinions, add an emphasis-of-matter or other-matter paragraph(s), or withdraw from the engagement.

In accordance with the requirements of *Government Auditing Standards*, we will also issue a written report describing the scope of our testing over internal control over financial reporting and over compliance with laws, regulations, and provisions of grants and contracts, including the results of that testing. However, providing an opinion on internal control and compliance over financial reporting will not be an objective of the audit and, therefore, no such opinion will be expressed.

Audit of Major Program Compliance

Our audit of City of Sherman, Texas' major federal award programs compliance will be conducted in accordance with the requirements of the Single Audit Act (as amended), the Uniform Guidance, and will include tests of accounting records, a determination of major programs in accordance with the Uniform Guidance and other procedures we consider necessary to enable us to express such an opinion on major federal award program compliance and to render the required reports. We cannot provide assurance that an unmodified opinion on compliance will be expressed. Circumstances may arise in which it is necessary for us to modify our opinion or withdraw from the engagement.

The Uniform Guidance requires that we also plan and perform the audit to obtain reasonable assurance about whether the City has complied with applicable laws and regulations and the provisions of contracts and grant agreements applicable to major federal award programs. Our procedures will consist of determining major federal programs and performing the applicable procedures described in the U.S. Office of Management and Budget *OMB Compliance Supplement* for the types of compliance requirements that could have a direct and material effect on each of the City's major programs. The purpose of those procedures will be to express an opinion on the City's compliance with requirements applicable to each of its major programs in our report on compliance issued pursuant to the Uniform Guidance.

Also, as required by the Uniform Guidance, we will perform tests of controls to evaluate the effectiveness of the design and operation of controls that we consider relevant to preventing or detecting material noncompliance with compliance requirements applicable to each of the City's major federal award programs. However, our tests will be less in scope than would be necessary to render an opinion on these controls and, accordingly, no opinion will be expressed in our report.

We will issue a report on compliance that will include an opinion or disclaimer of opinion regarding City of Sherman, Texas' major federal award programs, and a report on internal controls over compliance that will report any significant deficiencies and material weaknesses identified; however, such report will not express an opinion on internal control.

Other Services

We will also assist in preparing the financial statements, schedule of expenditures of federal awards, and related notes of the City in conformity with U.S. generally accepted accounting principles and the requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) based on information provided by you. These non-audit services do not constitute an audit under *Government Auditing Standards* and such services will not be conducted in accordance with *Government Auditing Standards*. These services are limited to preparing the financial statements, schedule of expenditures of federal awards, and related notes of the City as previously outlined. Our firm, in its sole professional judgement, reserves the right to refuse to do any procedure or take any action that could be construed as making management decisions or assuming management responsibilities, including determining account coding and approving journal entries. Our firm will advise with regard to financial reporting, but the City must make all decisions with regard to those matters.

Government Auditing Standards require that we document an assessment of the skills, knowledge, and experience of management, should we participate in any form of preparation of the basic financial statements and related schedules or disclosures as these actions are deemed a non-audit service.

Our responsibilities and limitations of the engagement are as follows:

- The engagement is limited to our preparation of the financial statements and related note disclosures and the schedule of expenditures of federal awards previously outlined. Our firm in its sole professional judgment, reserves the right to do any procedure or take any action that could be construed as making management decisions or assuming management responsibilities, including determining account coding and approving journal entries.

Management's Responsibilities

Our audit will be conducted on the basis that management and, when appropriate, those charged with governance acknowledge and understand that they have responsibility:

1. For the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America;
2. For the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error;
3. For identifying, in its accounts, all federal awards received and expended during the period and the federal programs under which they were received, including federal awards and funding increments received prior to December 26, 2014 (if any), and those received in accordance with the Uniform Guidance (generally received after December 26, 2014);
4. For maintaining records that adequately identify the source and application of funds for federally funded activities;
5. For preparing the schedule of expenditures of federal awards (including notes and noncash assistance received) in accordance with the Uniform Guidance;
6. For the design, implementation, and maintenance of internal control over federal awards;
7. For establishing and maintaining effective internal control over federal awards that provides reasonable assurance that the nonfederal entity is managing federal awards in compliance with federal statutes, regulations, and the terms and conditions of the federal awards;
8. For identifying and ensuring that the entity complies with federal statutes, regulations, and the terms and conditions of federal award programs and implementing systems designed to achieve compliance with applicable federal statutes, regulations, and the terms and conditions of federal award programs;
9. For disclosing accurately, currently, and completely the financial results of each federal award in accordance with the requirements of the award;
10. For identifying and providing report copies of previous audits, attestation engagements, or other studies that directly relate to the objectives of the audit, including whether related recommendations have been implemented;
11. For taking prompt action when instances of noncompliance are identified;
12. For addressing the findings and recommendations of auditors, for establishing and maintaining a process to track the status of such findings and recommendations and taking corrective action on reported audit findings from prior periods and preparing a summary schedule of prior audit findings;
13. For following up and taking corrective action on current year audit findings and preparing a corrective action plan for such findings;
14. For submitting the reporting package and data collection form to the appropriate parties;
15. For making the auditor aware of any significant contractor relationships where the contractor is responsible for program compliance;

16. To provide us with:

- a. Access to all information of which management is aware that is relevant to the preparation and fair presentation of the financial statements, and relevant to federal award programs, such as records, documentation, and other matters;
- b. Additional information that we may request from management for the purpose of the audit; and
- c. Unrestricted access to persons within the entity from whom we determine it necessary to obtain audit evidence.

17. For adjusting the financial statements to correct material misstatements and confirming to us in the management representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the current year period(s) under audit are immaterial, both individually and in the aggregate, to the financial statements as a whole;

18. For acceptance of non-attest services, including identifying the proper party to oversee non-attest work;

19. For maintaining adequate records, selecting and applying accounting principles, and safeguarding assets;

20. For informing us of any known or suspected fraud affecting the entity involving management, employees with significant role in internal control and others where fraud could have a material effect on compliance;

21. For the accuracy and completeness of all information provided;

22. For taking reasonable measures to safeguard protected personally identifiable and other sensitive information; and

23. For confirming your understanding of your responsibilities as defined in this letter to us in your management representation letter.

With regard to the schedule of expenditures of federal awards referred to above, you acknowledge and understand your responsibility (a) for the preparation of the schedule of expenditures of federal awards in accordance with the Uniform Guidance, (b) to provide us with the appropriate written representations regarding the schedule of expenditures of federal awards, (c) to include our report on the schedule of expenditures of federal awards in any document that contains the schedule of expenditures of federal awards and that indicates that we have reported on such schedule, and (d) to present the schedule of expenditures of federal awards with the audited financial statements, or if the schedule will not be presented with the audited financial statements, to make the audited financial statements readily available to the intended users of the schedule of expenditures of federal awards no later than the date of issuance by you of the schedule and our report thereon.

With respect to any non-attest services we perform, such as preparation of financial statements and related note disclosures and the schedule of expenditures of federal awards, we will not assume management responsibilities on behalf of the City. However, we will provide advice and recommendations to assist management of the City in performing its responsibilities. City's management is responsible for (a) making all management decisions and performing all management functions; (b) assigning a competent individual to oversee the services; (c) evaluating the adequacy of the services performed; (d) evaluating and accepting responsibility for the results of the services performed; and (e) establishing and maintaining internal controls, including monitoring ongoing activities.

As part of our audit process, we will request from management and, when appropriate, those charged with governance, written confirmation concerning representations made to us in connection with the audit.

We understand that your employees will prepare all confirmations we request and will locate any documents or invoices selected by us for testing.

If you intend to publish or otherwise reproduce the financial statements and make reference to our firm, you agree to provide us with printers' proofs or masters for our review and approval before printing. You also agree to provide us with a copy of the final reproduced material for our approval before it is distributed.

With regard to the electronic dissemination of audited financial statements, including financial statements published electronically on your website, you understand that electronic sites are a means to distribute information and, therefore, we are not required to read the information contained in these sites or to consider the consistency of other information in the electronic site with the original document.

Professional standards prohibit us from being the sole host and/or the sole storage for your financial and non-financial data. As such, it is your responsibility to maintain your original data and records and we cannot be responsible to maintain such original information. By signing this engagement letter, you affirm that you have all the data and records required to make your books and records complete.

Engagement Administration, Fees and Timing

We will schedule the engagement based in part on deadlines, working conditions, and the availability of your key personnel. We will plan the engagement based on the assumption that your personnel will cooperate and provide assistance by performing tasks such as preparing requested schedules, retrieving supporting documents, and preparing confirmations. If for whatever reason your personnel are unavailable to provide the necessary assistance in a timely manner, it may substantially increase the work we have to do to complete the engagement within the established deadlines, resulting in an increase in fees over our original fee estimate.

The timing of our audit will be scheduled for performance and completion as follows:

Interim fieldwork	June 2021
Mail confirmations	October 2021
Perform year-end audit procedures	December 2021
Issue audit reports	March 2022

John Manning is the engagement partner for the audit services specified in this letter. His responsibilities include supervising Pattillo, Brown & Hill, L.L.P.'s services performed as part of this engagement and signing or authorizing another qualified firm representative to sign the audit report.

Our fees for these services will be at our standard hourly rates plus out-of-pocket costs (such as reports reproduction, word processing, postage, travel, copies, telephone, etc.) except that we agree that our gross fee, including expenses, will not exceed \$41,200 for the City and \$5,200 if a Single Audit is necessary. Our standard hourly rates vary according to the degree of responsibility involved and the experience level of the personnel assigned to your audit. Our invoices for these fees will be rendered each month as work progresses and are payable on presentation. In accordance with our firm policies, work may be suspended if your account becomes 30 days or more overdue and may

not be resumed until your account is paid in full. If we elect to terminate our services for nonpayment, our engagement will be deemed to have been completed upon written notification of termination, even if we have not completed our report(s). You will be obligated to compensate us for all time expended and to reimburse us for all out-of-pocket costs through the date of termination. The above fee is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the audit. If significant additional time is necessary, we will discuss it with you and arrive at a new fee estimate before we incur the additional costs.

During the course of the engagement, we may communicate with you or your personnel via fax or email, and you should be aware that communication in those mediums contains a risk of misdirected or intercepted communications. In addition to fax and email, our firm also exchanges data over the internet using other methods (such as portals) or store electronic data via software applications hosted remotely through a third-party vendor's secured portal and/or cloud.

Our firm may transmit confidential information that you provided us to third parties in order to facilitate delivering our services to you. For example, such transmissions might include, but not be limited to, investment information. We have obtained confidentiality agreements with all our service providers to maintain the confidentiality of your information and we will take reasonable precautions to determine that they have the appropriate procedures in place to prevent the unauthorized release of confidential information to others. We will remain responsible for the work provided by any third-party service providers used under this agreement. By your signature below, you consent to having confidential information transmitted to entities outside the firm. Please feel free to inquire if you would like additional information regarding the transmission of confidential information to entities outside the firm.

The audit documentation for this engagement is the property of Pattillo, Brown & Hill, L.L.P. and constitutes confidential information. However, we may be requested to make certain audit documentation available to federal or state agencies and the U.S. Government Accountability Office pursuant to authority given to it by law or regulation, or to peer reviewers. If requested, access to such audit documentation will be provided under the supervision of Pattillo, Brown & Hill, L.L.P.'s personnel. Furthermore, upon request, we may provide copies of selected audit documentation to these agencies and regulators. The regulators and agencies may intend, or decide, to distribute the copies of information contained therein to others, including other governmental agencies. We agree to retain our audit documentation or work papers for a period of at least five years from the date of our report.

Further, we will be available during the year to consult with you on financial management and accounting matters of a routine nature.

During the course of the audit, we may observe opportunities for economy in, or improved controls over, your operations. We will bring such matters to the attention of the appropriate level of management, either orally or in writing.

We agree to retain our audit documentation or work papers for a period of at least five years from the date of our report.

You agree to inform us of facts that may affect the financial statements of which you may become aware during the period from the date of the auditor's report to the date the financial statements are issued.

At the conclusion of our audit engagement, we will communicate to management and those charged with governance the following significant findings from the audit:

- Our view about the qualitative aspects of the City's significant accounting practices;
- Significant difficulties, if any, encountered during the audit;

- Uncorrected misstatements, other than those we believe are trivial, if any;
- Disagreements with management, if any;
- Other findings or issues, if any, arising from the audit that are, in our professional judgment, significant and relevant to those charged with governance regarding their oversight of the financial reporting process;
- Material, corrected misstatements that were brought to the attention of management as a result of our audit procedures;
- Representations we requested from management;
- Management's consultations with other accountants, if any; and
- Significant issues, if any, arising from the audit that were discussed, or the subject of correspondence, with management.

In accordance with the requirements of *Government Auditing Standards*, we have attached a copy of our latest external peer review report of our firm for your consideration and files.

Please sign and return the attached copy of this letter to indicate your acknowledgment of, and agreement with, the arrangements for our audit of the financial statements compliance over major federal award programs including our respective responsibilities.

We appreciate the opportunity to be your financial statement auditors and look forward to working with you and your staff.

Respectfully,
Pattillo, Brown & Hill, L.L.P.



John Manning, CPA
Waco, Texas

RESPONSE:

This letter correctly sets forth our understanding.

Acknowledged and agreed on behalf of City of Sherman, Texas by:

Name: _____

Title: _____

Date: _____

REPORT ON THE FIRM'S SYSTEM OF QUALITY CONTROL

November 25, 2019

To the Partners of
Pattillo Brown & Hill, LLP
and the National Peer Review Committee

We have reviewed the system of quality control for the accounting and auditing practice of Pattillo Brown & Hill, LLP (the firm) in effect for the year ended May 31, 2019. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants (Standards).

A summary of the nature, objectives, scope, limitations of, and the procedures performed in a System Review as described in the Standards may be found at www.aicpa.org/prsummary. The summary also includes an explanation of how engagements identified as not performed or reported in conformity with applicable professional standards, if any, are evaluated by a peer reviewer to determine a peer review rating.

Firm's Responsibility

The firm is responsible for designing a system of quality control and complying with it to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. The firm is also responsible for evaluating actions to promptly remediate engagements deemed as not performed or reported in conformity with professional standards, when appropriate, and for remediating weaknesses in its system of quality control, if any.

Peer Reviewer's Responsibility

Our responsibility is to express an opinion on the design of the system of quality control and the firm's compliance therewith based on our review.

Required Selections and Considerations

Engagements selected for review included engagements performed under *Government Auditing Standards*, including compliance audits under the Single Audit Act, an audit performed under FDICIA, and audits of employee benefit plans.

As a part of our peer review, we considered reviews by regulatory entities as communicated by the firm, if applicable, in determining the nature and extent of our procedures.

Opinion

In our opinion, the system of quality control for the accounting and auditing practice of Pattillo Brown & Hill, LLP in effect for the year ended May 31, 2019, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass*, *pass with deficiency (ies)* or *fail*. Pattillo Brown & Hill, LLP has received a peer review rating of *pass*.

Haddox Reid Eulank Betts PLLC



memorandum

DATE: Monday, June 14, 2021

TO: The Council Audit Committee
The Honorable David Plyler, Mayor
The Honorable Shawn Teamann, Council Member
The Honorable Daron Holland, Council Member

CC: Sherman City Council Members
Robby Hefton, City Manager

FROM: Mary Lawrence, Finance Director *ml*

SUBJECT: **Appointment of Pattillo, Brown & Hill, LLP as Independent Auditor for the Fiscal Year Ended September 30, 2021 Audit**

Pattillo, Brown & Hill, LLP, ("PBH"), a certified public accounting firm in Waco, performed the annual audit for the City and SEDCO last fiscal year and the staff was pleased with their performance. Two optional renewal periods remain available at the consent of both parties. Subject to Audit Committee and City Council approval, the staff proposes to engage PBH for the annual audit for the year ended September 30, 2021.

The engagement letter (contract) has been received from PBH and is attached for your review. PBH has agreed to provide audit services for the upcoming year for \$51,600, including the audit of SEDCO. This fee is the same amount paid in the prior year for similar services. Audit field work is expected to begin in September and the audit is expected to be completed with the report draft received by January 31, 2022.

The appointment of PBH and engagement letter will be on the June 21, 2021, council agenda for approval. If you have any questions prior to the council meeting, please let me know.



SHERMAN CITY COUNCIL

Agenda Communication Form

City Council Regular Meeting

F. 1.

Meeting Date: 06/21/2021

Prepared By: Wayne Lee, Director of Engineering

Approved By: Robby Hefton, City Manager

Caption:

CHANGE ORDER NO. 2

Lamberth Road Drainage Improvements Project; Lynn Vessels Construction, LLC; \$87,993.52 increase

Issue:

To consider the approval of Change Order No. 2 with Lynn Vessels Construction, LLC for the Lamberth Road Drainage Improvements Project

Background:

Change Order No. 2 will adjust the project quantities for the Lamberth Road Drainage Improvements Project.

The sewer line going southeast from the intersection of Travis Street and Lamberth Road is in need of replacement on an emergency basis. This change order will provide for the replacement of that portion of the sewer line as quickly as possible.

Origination:

Engineering Department

Financial Consideration:

The change order results in a \$87,993.52 increase in the contract amount, yielding a final contract price of \$1,623,746.54. Funding is available in the Utility Improvement Fund.

Staff Recommendation:

It is recommended the Change Order No. 2 for the Lamberth Road Drainage Improvements Project be approved

Alternatives:

As may be directed by the City Council

Attachments

Change Order No.2

Location Map

Change Order

No. 2

Date of Issuance: May 21, 2021

Project: Lamberth Post Oak Drainage Improvements	Project No.: PW #3045; Bid # 2019-17
Owner: City of Sherman	Date of Contract: 16 December 2019
Contractor: Lynn Vessels Construction	

The Contract Documents are modified as follows upon execution of this Change Order:

Item No.	Item Description	Quantity	Unit	Unit Price	Total Price
1.03A	Traffic Control	1	LS	\$12,380.00	\$ 12,380.00
1.04A	Preparing ROW	1	LS	\$ 6,050.00	\$ 6,050.00
2.23A	Concrete Pavement	225	SY	\$ 64.80	\$ 14,580.00
3.03A	8" SDR 26	328	LF	\$ 149.34	\$ 48,983.52
Total Above Items					\$ 81,993.52

Justification:

Add sewer line from Travis and Lamberth Street east down Lamberth 328-LF per request of City of Sherman.

CHANGE IN CONTRACT PRICE:

Original Base Bid Price:

\$2,288,933.74

Increase/(Decrease) from previously approved
Change Orders No. 0 to No. 1:

\$ (747,180.72)

Contract Price prior to this Change Order:

\$1,541,753.02

Increase/(Decrease) of this Change Order:

\$81,993.52

Contract Price incorporating this Change
Order:

\$1,623,746.54

CHANGE IN CONTRACT TIMES:

Original Contract

Substantial completion days: 240

Substantial completion date: TBD

Increase/(Decrease) from previously approved Change
Orders

No. 0 to No. 1:

Substantial completion days: 0

Substantial completion date: TBD

Contract Times prior to this Change Order:

Substantial completion days: 240

Substantial completion date: TBD

Increase/(Decrease) of this Change Order:

Substantial completion days: 0

Substantial completion date: TBD

Contract Times with all approved Change Orders:

Substantial completion days: 240

Substantial completion date: TBD

RECOMMENDED:

By: [Signature]
Engineer (Authorized Signature)

Date: 11 June 2021

ACCEPTED:

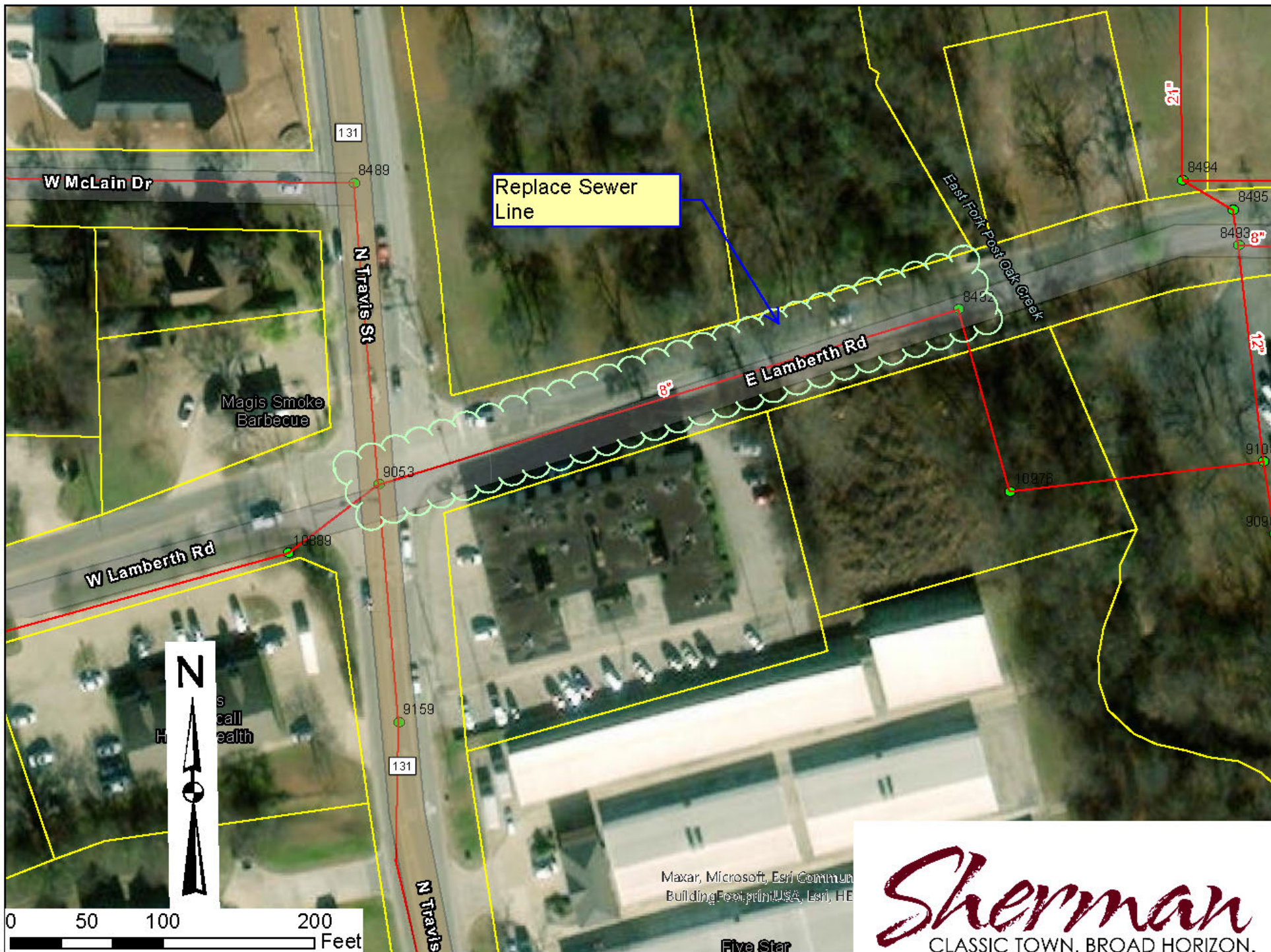
By: _____
Owner (Authorized Signature)

Date: _____

ACCEPTED:

By: [Signature]
Contractor (Authorized)

Date: 6/10/21



Sherman
CLASSIC TOWN. BROAD HORIZON.



SHERMAN CITY COUNCIL

Agenda Communication Form

City Council Regular Meeting

F. 2.

Meeting Date: 06/21/2021

Prepared By: Wayne Lee, Director of Engineering

Approved By: Robby Hefton, City Manager

Caption:

CHANGE ORDER NO. 3

West Travis Street Phase II & III Project; Lynn Vessels Construction, LLC.; \$97,997.61 Increase

Issue:

To consider the approval of Change Order No. 3 with Lynn Vessels Construction, LLC for the West Travis Street Phase II & III Project

Background:

Change Order No. 3 will adjust the project quantities for the West Travis Street Phase II & III Project to reconcile between the design quantities and actual quantities of what was installed.

Origination:

Engineering Department

Financial Consideration:

The change order results in a \$97,997.61 increase in the contract amount, yielding a contract price of \$5,525,095.50. The original project estimates for these two phases was about \$7.8 million, so the total actual project costs yielded a savings of a little over \$2 million.

Staff Recommendation:

It is recommended the Change Order No. 3 for the West Travis Street Phase II & III Project be approved.

Alternatives:

As may be directed by the City Council

Attachments

Change Order No.3

Location Map

Change Order

No. 3 (Three)

Date of Issuance: May 28, 2021

Project: West Travis Street Phase II & III	Project No.: PW #3006-E Bid No.: 2019-14
Owner: City of Sherman	Date of Contract: 06/17/2019
Contractor: Lynn Vessels Construction, LLC	

The Contract Documents are modified as follows upon execution of this Change Order:

Item	Description	Change Order #3		Unit Price	Total Price
CO3 - 7	8" 4,000 PSI Concrete w/#4 @ 24" C-C EW	1,579.00	SY	\$46.59	\$73,565.61
CO3 - 11	Lime (at estimated 36#/SY)	40.42	TN	\$184.80	\$7,469.62
CO3 - 12	Change Hydromulch to Bermuda Sod	2,799.00	SF	\$0.45	\$1,259.55
CO3 - 13	Pavers at Island	75.00	SF	\$15.96	\$1,197.00
CO3 - 14	Remove Flexible Base Course, 6" thick, at gate accesses	-1,952.00	SF	\$1.25	-\$2,440.00
CO3 - 15	Metal Beam Guard Fence (MBGF)	-127	LF	\$31.35	-\$3,981.45
CO3 - 16	Remove Type III Barricades	-1	EA	\$4,730.00	-\$4,730.00
CO3 - 18	8" Type "I" White Solid 90 mil Thermoplastic	-90	LF	\$3.41	-\$306.90
CO3 - 19	4" Type II - C-R Button	-39	EA	\$6.60	-257.40
CO3 - 20	4" Non Reflective Yellow Button	1	EA	\$6.60	6.60
CO3 - 36	24" Class III RCP	4	LF	\$68.24	\$272.96
CO3 - 76	Remove Guardrail Transitions and Terminal Ends	-2	EA	\$4,500.00	-\$9,000.00
CO3 - 77	7" 4,000 PSI Concrete w/#3 @ 18" C-C EW	109	SY	\$53.06	\$5,783.54
CO3 - 78	6" Integral Curb (hand)	81	LF	\$4.58	\$370.98
CO3 - 86	Install Metal Post in Lieu of Wood due to shortage	1	LS	\$10,000.00	\$10,000.00
CO3 - 87	Special End Treatment @ Parapet Wall	1	EA	\$8,987.50	\$8,987.50
CO3 - 88	Sidewalk Thickened Edge	400	LF	\$24.50	\$9,800.00
Total					\$97,997.61

Justification:

Change Order No. 3 will adjust the project quantities for the West Travis Street Phase II & III Project to reconcile between the design quantities and actual quantities of what was installed.

CHANGE IN CONTRACT PRICE:

Original Contract Price:

\$ 4,772,874.94

Increase from previously approved Change Orders No. 0 to No. 2:

\$654,222.95

Contract Price prior to this Change Order:

CHANGE IN CONTRACT TIMES:

Original Contract Times:

Substantial completion days: 365

Substantial completion date: August 5, 2019

Increase from previously approved Change Orders No. 0 to No. 0 :

Substantial completion days: 0

Substantial completion date: August 5, 2019

Contract Times prior to this Change Order:

Substantial completion days: 365

\$ 5,427,097.89

Substantial completion date: August 5, 2019

Increase of this Change Order:

Increase of this Change Order:

\$ 97,997.61

Substantial completion days: 90

Substantial completion date: November 2, 2020

Contract Price incorporating this Change Order:

Contract Times with all approved Change Orders:

\$ 5,525,095.50

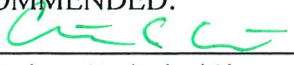
Substantial completion days: 240

Substantial completion date: June 30, 2021

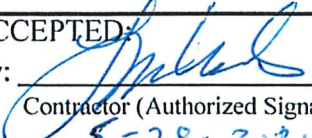
RECOMMENDED:

ACCEPTED:

ACCEPTED:

By: 
Engineer (Authorized Signature)

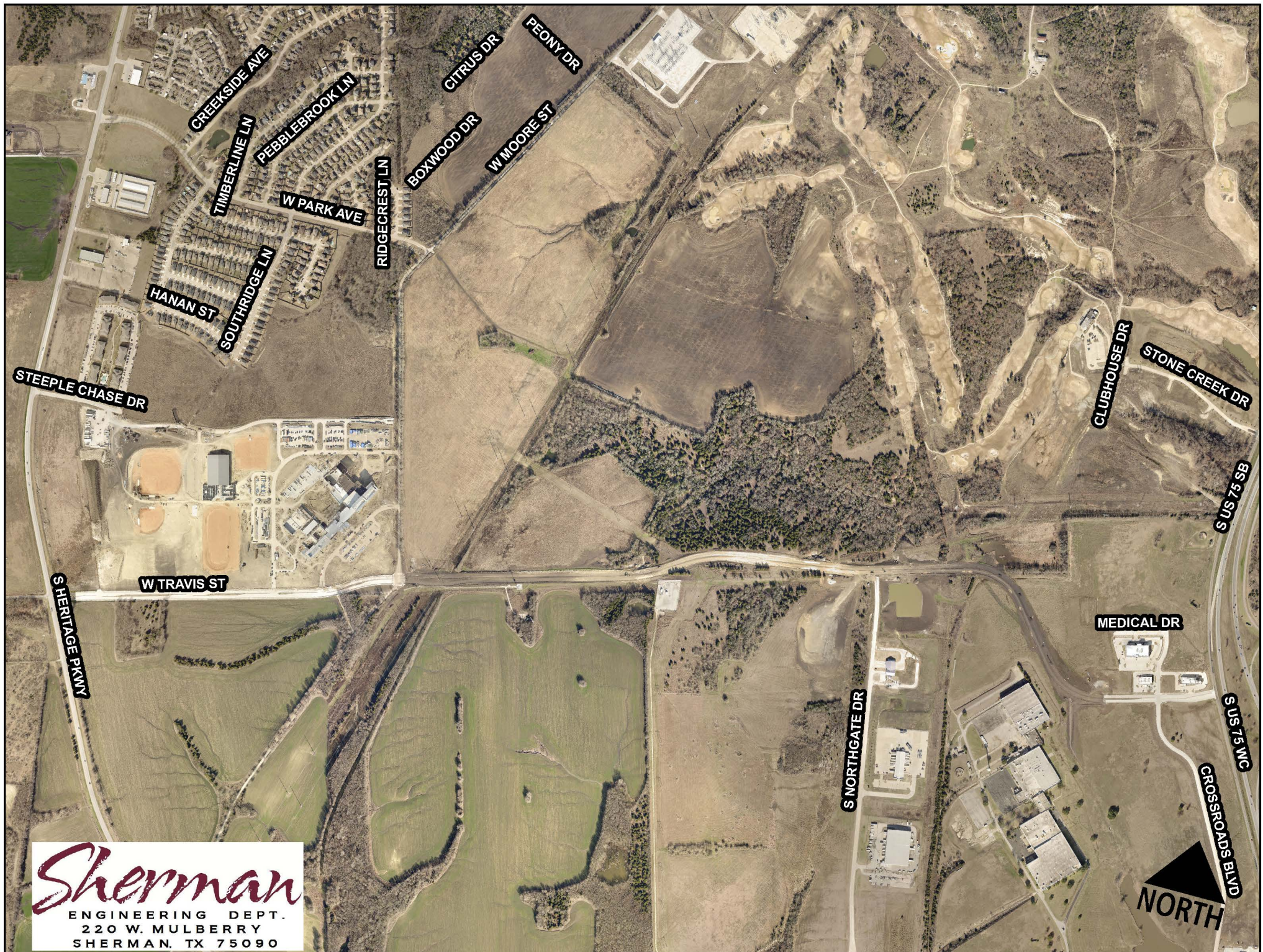
By: _____
Owner (Authorized Signature)

By: 
Contractor (Authorized Signature)

Date: 6-9-2021

Date: _____

Date: 5-28-2021



Sherman
ENGINEERING DEPT.
220 W. MULBERRY
SHERMAN, TX 75090



SHERMAN CITY COUNCIL

Agenda Communication Form

City Council Regular Meeting

Meeting Date: 06/21/2021

Approved By: Robby Hefton, City Manager

Caption:

COUNCIL CALENDAR

Attachments

Council Calendar 2021

2021

Council Calendar

January						
Su	Mo	Tu	We	Th	Fr	Sa
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30
31						

February						
Su	Mo	Tu	We	Th	Fr	Sa
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28						

March						
Su	Mo	Tu	We	Th	Fr	Sa
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14	15	16	17	18	19	20
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28	29	30	31			

April						
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				1	2	3
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11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	

May						
Su	Mo	Tu	We	Th	Fr	Sa
						1
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16	17	18	19	20	21	22
23	24	25	26	27	28	29
30	31					

June						
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		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30			

July						
Su	Mo	Tu	We	Th	Fr	Sa
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	31

August						
Su	Mo	Tu	We	Th	Fr	Sa
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30	31				

September						
Su	Mo	Tu	We	Th	Fr	Sa
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30		

October						
Su	Mo	Tu	We	Th	Fr	Sa
					1	2
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10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30
31						

November						
Su	Mo	Tu	We	Th	Fr	Sa
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14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30				

December						
Su	Mo	Tu	We	Th	Fr	Sa
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5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30	31	

	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