CITY OF SHERMAN
CITY COUNCIL REGULAR MEETING AGENDA
SHERMAN MUNICIPAL BALLROOM
405 NORTH RUSK STREET
SHERMAN, TEXAS
MONDAY, APRIL 19, 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 APRIL 5, 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. 6375

Authorizing the Issuance of "CITY OF SHERMAN, TEXAS, LIMITED TAX NOTES, SERIES 2021"; Specifying the Terms and Features of Said Notes; Levying a Continuing Direct Annual Ad Valorem Tax for the Payment of Such Notes; and Resolving Other Matters Incident and Related Thereto, Including the Approval and Execution of a Paying Agent/Registrar Agreement and the Approval and Distribution of an Official Statement and Providing an Effective Date

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

D. 2. **INTRODUCTION AND PUBLIC HEARING OF ORDINANCE NO. 6376**

Authorizing the Issuance of "CITY OF SHERMAN, TEXAS, COMBINATION TAX AND REVENUE CERTIFICATES OF OBLIGATION, SERIES 2021"; Specifying the Terms and Features of Said Certificates; Providing for the Payment of Said Certificates of Obligation by the Levy of an Ad Valorem Tax Upon All Taxable Property within the City and a Limited Pledge of the Net Revenues from the Operation of the City's Waterworks and Sewer System; Resolving Other Matters Incident and Relating to the Issuance, Payment, Security, Sale and Delivery of Said Certificates, Including the Approval and Execution of a Paying Agent/Registrar Agreement and the Approval and Distribution of an Official Statement; and Providing an Effective Date

Close Public Hearing and Consider Adoption of Ordinances

D. 3. **ADOPTION OF ORDINANCES**

Consider Adoption of Ordinance Numbers 6375 & 6376

Resolutions

E. 1. **RESOLUTION NO. 6727**

Authorizing Execution of The First Amendment to The Bel Air Village Master Development Agreement With Terra Perpetua, LLC, A Delaware Limited Liability Company, Amending The Terms And Conditions of The Bel Air Village Master Development Agreement Dated December 18, 2020 And Approved By Resolution No. 6676; Finding And Determining That The Meeting at Which This Resolution Is Passed Was Noticed And Is Open to The Public as Required By Law.

E. 2. **RESOLUTION NO. 6728**

Determining The Costs Of Phase One District Improvements To Be Financed By The Bel Air Village Public Improvement District; Approving A Preliminary Service Plan And Assessment Plan, Including Proposed Phase One Assessment Roll, For The Bel Air Village Public Improvement District; Directing The Filing Of The Proposed Phase One Assessment Roll With The City Secretary; Calling A Regular Meeting And Noticing A Public Hearing For May 3, 2021 To Consider An Ordinance Levying Assessments On Property Located Within The Bel Air Village Public Improvement District; Directing The Filing Of The Proposed Phase One Assessment Roll With The City Secretary To Make Available For Public Inspection; Directing City Staff To Publish And Mail Notice Of Said Public Hearing; And Resolving Other Matters Incident And Related Thereto.

E. 3. **RESOLUTION NO. 6729**

In Support of Halff Associates, Inc.'s Application on Behalf of the Applicant Texas Instruments Incorporated to the Texas Commission on Environmental Quality for a Municipal Setting Designation at 6412 U.S. Highway 75S, Sherman, Grayson County, Texas

E. 4. **RESOLUTION NO. 6730**

Approving the Greater Texoma Utility Authority's Intention to Contract with Hayes Construction, LLC for Construction of the North Travis Street Water Line Replacement and New US 75 Water Line Crossing Project

E. 5. **RESOLUTION NO. 6731**

Authorizing Execution of a Professional Services Agreement with Lockwood, Andrews & Newnam, Inc. for Engineering Services for the Water Treatment Plant Concentrate Line Phase II Environmental Clearance & Route Study

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

E. 6. **RESOLUTION NO. 6732**
Authorizing Execution of a Professional Services Agreement with Freeman-Millican, Inc. for Engineering Services for the Wastewater Treatment Plant and Lift Stations Backup Power Study

E. 7. **RESOLUTION NO. 6733**
Authorizing Execution of a Professional Services Agreement with Freeman-Millican, Inc. for Sherman Laboratory Services Building Addition & Remodel

E. 8. **** RESOLUTION NO. 6734***
Declaring the City of Sherman's Eligibility and Intention to Participate in a Residential Tax Abatement Program to Promote Development/Redevelopment in Certain Areas of the City; Establishing Guidelines and Criteria

E. 9. **** RESOLUTION NO. 6735***
Authorizing the Purchase of a New Kubota Rubber Track Excavator from Zimmerer Kubota & Equipment, Inc. for the Cemetery Department through the Texas Local Government Purchasing Cooperative (Buyboard)

Other Business

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

F. 2. **** OTHER BUSINESS***
Approve Quarterly Investment Report for Quarter Ended March 31, 2021

G. **MEDIA QUESTIONS**

Consider Board/Commission Appointments

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 dated November 2, 2009 (b) Receive legal advice regarding the City's response to severe weather that occurred in February 2021
Tex. Gov't Code § 551.072	Deliberating the purchase, exchange, lease or value of real property if deliberation in an Open Meeting would have a detrimental effect on the position of the City in negotiations with a third person.
Tex. Gov't Code § 551.073	Deliberating a negotiated contract for a prospective gift or donation to the City if deliberation in an Open Meeting would have a detrimental effect on the position of the City in negotiations with a third person.
Tex. Gov't Code § 551.074	Deliberating the appointment, employment, evaluation, reassignment, duties, discipline or dismissal of a public officer or employee; or to hear a complaint or charge against an officer or employee unless the officer or employee who is the subject of the deliberation or hearing requests a public hearing.
Tex. Gov't Code § 551.076	Deliberating the deployment, or specific occasions for implementation, of security personnel or devices or a security audit.
Tex. Gov't Code § 551.087	Discussing or deliberating commercial or financial information that the City has received from a business prospect that the City seeks to have locate, stay or expand in or near the City and with which the City is conducting economic development negotiations; or deliberating the offer of a financial or other incentive to a business prospect.
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

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

CERTIFICATION

I, the undersigned authority, do hereby certify that the above Notice of 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 April 16, 2021, 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 16th day of April, 2021.
City of Sherman, Texas

_____
City Clerk

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

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

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

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

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

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

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

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SHERMAN CITY COUNCIL
Agenda Communication Form

City Council Regular Meeting **A. 4.**

Meeting Date: 04/19/2021

Approved By: Robby Hefton, City Manager

Caption:

APPROVE MINUTES OF THE REGULAR CITY COUNCIL MEETING OF APRIL 5, 2021

Issue:

Attachments

April 5, 2021

STATE OF TEXAS §

April 5, 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 Sherman Municipal Ballroom on April 5, 2021.

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

MEMBERS ABSENT: **COUNCIL MEMBER TEAMANN.**

CALL TO ORDER — **CALL TO ORDER**

Mayor Plyler called the meeting to order at 5:00. The Pledge of Allegiance and Invocation were given by Council Member Josh Stevenson.

APPROVE MINUTES — **APPROVE MINUTES**

The Council reviewed the Minutes of the Regular City Council Meeting of March 15, 2021. Council Member Melton moved to approve the Minutes, as presented; Second by Council Member Holland; All present voted AYE.
MOTION CARRIED.

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

There were no citizen's comments.

CONSENT AGENDA — **CONSENT AGENDA**

The Council reviewed the Consent Agenda. Council Member Howeth asked to remove Item F-3, entitled "Final Plat Approval of Mora's Addition, a Replat of the West 104 foot of Lots 21 thru 24, Block 7 of the W.P. Carter's Addition, being 0.239 acres in the J.B. McAnair Survey, Abstract No. 763 also being the west 104 foot of Lots 21-24, Block 7 of W.P. Carter's Addition, located at 1103 and 1105 North Broughton Street," from the Consent Agenda for consideration in its regular order of business.

Council Member Stevenson moved to approve the Consent Agenda, with the exception of Item F-3, which will be considered in its regular order of business; Second by Council Member Steele; All present voted AYE.

FINAL PLAT APPROVAL OF MORA'S ADDITION, A REPLAT OF THE WEST 104 FOOT OF LOTS 21 THRU 24, BLOCK 7 OF THE W.P. CARTER'S ADDITION, BEING 0.239 ACRES IN THE J.B. McANAIR SURVEY, ABSTRACT NO. 763 ALSO BEING THE WEST 104 FOOT OF LOTS 21-24, BLOCK 7 OF W.P. CARTER'S ADDITION; M&G HOMEBUILDERS, LLC, OWNER; MARTIN COVARRUBIAS, REPRESENTATIVE; AND HELVEY-WAGNER SURVEYING, INC., SURVEYOR (1103 & 1105 NORTH BROUGHTON STREET) — **APPROVE FINAL PLAT MORA'S ADDITION (1103 & 1105 N. BROUGHTON ST) DENIED**

Council Member Howeth asked to remove Item F-3 from the Consent Agenda for consideration in its regular order of business.

She expressed her concern for this and other additions that are being located on Broughton Street. Rob Rae, Director of Development Services, said the property is supposed to be replated into two lots.

The challenge is that there is an easement and a creek, running through the property. When the applicant filed for the replat, he also initiated the process of getting variances and exceptions for the lot. She said this lot probably isn't deep enough to allow parking in the rear.

She said this will be another situation where there will only be parking in the front, and since they will need enough parking for the number of bathrooms, it will end up being a concrete front yard. She said this is already happening up and down Broughton Street and it is a narrow street.

Council Member Howeth said she has been trying to get the intersection of Broughton and Brockett Streets widened so there is enough room for emergency vehicles, especially fire trucks, to turn the corner.

She said she was not opposed to the development, but was opposed to the way the parking was handled.

Mayor Plyler confirmed that if the driveways faced Richards Street, they would only be able to provide one parking space, therefore the applicant designed the driveways to face Broughton Street. He asked if the staff was concerned about problems with the depth of the lots and widening the street.

Mr. Rae said it was a concern to the staff, especially on the 15 foot setback. The reason for a 20 or 25 foot setback is to have room for the parking. In this case, the option is to provide a circle drive and a different combination of the three or four spaces that are required per lot. He said it is a difficult situation compared to the other houses that front on Broughton Street.

Council Member Howeth said one Planning and Zoning Commission Member did express concern that this will became a "concrete front yard." She would like at least some greenspace in the front yard. She added that she was happy about the development in this area, but was concerned about the amount of concrete that would be placed in the front yard, and the difficulty of vehicles traveling this street because of its width.

Mayor Plyler asked about the Planning and Zoning Commission vote on the issue. Mr. Rae said they tabled it because the Site Plan they submitted was not detailed enough for them to make a decision. The applicant will appear at the April 20, 2021, P&Z Meeting to clarify their Site Plan. Council Member Howeth said

she would like to see the circular drive before she approves the request.

Ryan Pittman, Attorney, explained that this request would be subject to the 30-day "shock clock," and unless the applicant is at the meeting and requests that it be tabled, the Council would have to act on it tonight.

Robby Hefton, City Manager, verified that if they vote against the Final Plat tonight, the applicant would have to start over with the Planning and Zoning Commission, and bring another Plat forward.

Council Member Steele confirmed that if it was only one lot, they could face Richards Street, and meet the setback requirements. Council Member Howeth said Richards Street is not a busy street.

ACTION TAKEN.

Motion by Council Member Howeth to deny the Final Plat of Mora's Addition, located at 1103 and 1105 North Broughton Street, as presented. Second by Council Member Melton.

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

ORD 6367 ANNEXATION THREE OAKS PHASE 2

Mayor Plyler introduced Ordinance No. 6367 and called for a public hearing:

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, EXTENDING THE CORPORATE LIMITS OF SAID CITY SO AS TO ANNEX AN AREA OF LAND CONSISTING OF APPROXIMATELY 24.415 ACRES GENERALLY LOCATED EAST OF U.S. HWY 75, SOUTH OF PARK STREET AND ALONG EAST SHERMAN STREET, ADJACENT TO THE SHERMAN CITY LIMITS AND IN THE CITY OF SHERMAN'S EXTRATERRITORIAL JURISDICTION, ON APPLICATION OF THE LANDOWNER; PROVIDING THAT THE OWNERS AND INHABITANTS OF THE SUBJECT AREA OF LAND SHALL BE ENTITLED TO THE RIGHTS AND PRIVILEGES OF OTHER CITIZENS OF THE CITY OF SHERMAN AND SHALL BE BOUND BY THE ACTS AND ORDINANCES NOW IN EFFECT AND HEREINAFTER ADOPTED; AUTHORIZING EXECUTION OF THE ANNEXATION SERVICE PLAN AGREEMENT; PROVIDING FOR A PENALTY FOR A VIOLATION OF THIS ORDINANCE AND SHERMAN'S GENERAL ZONING ORDINANCE, ORDINANCE NO. 2280; PROVIDING A SAVINGS/REPEALING CLAUSE, SEVERABILITY CLAUSE AND AN EFFECTIVE DATE; AND PROVIDING FOR THE PUBLICATION OF THE CAPTION HEREOF.

Clint Philpott, Assistant City Manager, said this annexation for 24 acres is requested by the property owner. His subdivision plan is for 85 lots, and it will include water, sewer, and street extensions. The developer is following the City's subdivision ordinance.

No citizens appeared before the City Council to discuss Ordinance No. 6367.

Mayor Plyler introduced Ordinance No. 6368 and called for a public hearing:

ORD 6368 RENEWAL OF SUP TIRE SALES & REPAIR (207 & 209 DEWEY AVENUE)

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AMENDING SECTION 8, SUBSECTION (5)(A), ORDINANCE NO. 2280, SO AS TO RENEW A SPECIFIC USE PERMIT TO ALLOW NEW AND USED TIRE SALES AND REPAIR, GENERAL MAINTENANCE WITH ALIGNMENTS AND OIL CHANGES IN A C-2 (GENERAL COMMERCIAL) DISTRICT AT 207 AND 209 SOUTH DEWEY AVENUE, BEING 1.091 ACRES IN THE G.B. PILANT SURVEY, ABSTRACT NO. 963 DESCRIBED AS LOTS 3, 4 AND PART OF LOT 5 INCLUDING THE ALLEY LYING BETWEEN LOTS 3 AND 4, BLOCK 3, J.P. LOVING'S 2ND ADDITION (MIGUEL A. AVALOS, OWNER; MIGUEL AVALOS, REPRESENTATIVE; AND UNDERWOOD DRAFTING AND SURVEYING, SURVEYOR); PROVIDING FOR A REPEALER CLAUSE; PROVIDING THAT THIS SPECIFIC USE PERMIT SHALL BE GRANTED SUBJECT TO CERTAIN CONDITIONS; PROVIDING A PENALTY NOT TO EXCEED $2,000.00.

Mr. Rae said this Specific Use Permit was approved on March 16 2020, for a 12 month period. He said he had met with the requestor, who has done everything the City has asked, including keeping the site clean, and has installed a 6-foot perimeter fence.

They have received one complaint about noise, and two citizens spoke at the last Planning and Zoning Commission Meeting in support of the business.

The Planning and Zoning Commission voted to approve the SUP, with no conditions on a timeframe.

No other citizens appeared before the City Council to discuss Ordinance No. 6368.

Mayor Plyler introduced Ordinance No. 6369 and called for a public hearing:

ORD 6369 SUP FOR MULTI-FAMILY APARTMENTS (1111 GALLAGHER DR)

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 A MULTI-FAMILY RESIDENTIAL COMPLEX (ASPIRE AT SHERMAN APARTMENTS) IN A C-1 (RETAIL BUSINESS) DISTRICT AT 1111 GALLAGHER DRIVE, BEING LOT 1, BLOCK 1, JACKSON WALKER ADDITION, BEING A REPLAT OF ALL OF LOT 7, BLOCK 1, GLECKLER PLAZA ADDITION AND ALL OF LOTS 5 & 6, BLOCK 1, OF THE PARTIAL REPLAT OF GLECKLER PLAZA ADDITION (ASPIRE TWO, LLC, OWNER; RYAN JOHNSON, REPRESENTATIVE; COVENANT DEVELOPMENT, DEVELOPER; CROSS ARCHITECTS, ARCHITECT; CROSS ENGINEERING CONSULTANTS, CIVIL ENGINEER; LEE ENGINEERING, CIVIL ENGINEER; AND UNDERWOOD DRAFTING AND SURVEYING, SURVEYOR); PROVIDING THAT THIS SPECIFIC USE PERMIT SHALL BE

GRANTED SUBJECT TO CERTAIN CONDITIONS; PROVIDING A PENALTY NOT TO EXCEED $2,000.00.

Mr. Rae said this is a Specific Use Permit for a multi-family complex with 234 units, in a C-1 District.

The Planning and Zoning Commission approved this SUP. There were three letters of objection, and two people spoke at the Planning and Zoning Meeting, one in favor and one with an objection.

Ryan Johnson, 5523 W. Houston Street
Mr. Johnson appeared representing Covenant Development, and said they have been working for almost a year on this project and the demolition of the old Medical Plaza Hospital is now complete. The development will be a more productive use of the property.

No other citizens appeared before the City Council to discuss Ordinance No. 6369.

Mayor Plyler introduced Ordinance No. 6370 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 AN ATHLETIC FIELD (OUTDOOR COMMERCIAL AMUSEMENT) IN AN R-1 (ONE-FAMILY RESIDENTIAL) DISTRICT/(COLLEGE PARK) OVERLAY DISTRICT AT 1360 EAST LEWIS STREET, BEING LOTS 1-3, BLOCK 4, LUCKETT PARK ADDITION, AND LOTS 4-6, BLOCK 4, MILDRED HEIGHTS ADDITION (THE BOYS AND GIRLS CLUB OF SHERMAN, INC., OWNER; TODD YOUNG, YOUNG ENTERPRISES, REPRESENTATIVE; 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 6370
SUP FOR ATHLETIC FIELD
(1360 E. LEWIS ST)

Mr. Rae said this is a Specific Use Permit for an Athletic Field for the Boys and Girls Club, in an R-1 District. They are proposing to build a seven-on-seven football field, with soccer fields.

At the City Council Meeting on March 1, 2021, they abandoned the alley that separated the property, so the entire site is included. The Planning and Zoning Commission recommended approval of the SUP.

No citizens appeared before the City Council to discuss Ordinance No. 6370.

Mayor Plyler introduced Ordinance No. 6371 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. 6358, AND GRANTING A SPECIFIC USE PERMIT TO ALLOW (72) PATIO

ORD 6371
SUP FOR PATIO HOMES
(2100 BLOCK OF W. MOORE ST)

HOMES IN AN R-1 (ONE-FAMILY RESIDENTIAL) DISTRICT ON PROPERTY LOCATED IN THE 2100 BLOCK OF WEST MOORE STREET, LOTS 1-19, BLOCK A, LOTS 1-9, BLOCK B, LOTS 1-22, BLOCK F AND LOTS 1-22, BLOCK G OF THE PROPOSED THE GROVE ADDITION (SSCGC HOLDINGS, LLC, OWNER; GROVE ADDITION DEVELOPMENT JV, APPLICANT; CIVIL POINT ENGINEERS, CIVIL ENGINEER; AND UNDERWOOD DRAFTING SURVEYING, SURVEYOR); PROVIDING THAT THIS SPECIFIC USE PERMIT SHALL BE GRANTED SUBJECT TO CERTAIN CONDITIONS; PROVIDING A PENALTY NOT TO EXCEED $2,000.00; PROVIDING A REPEALING/SAVINGS CLAUSE, SEVERABILITY CLAUSE AND AN EFFECTIVE DATE.

Mr. Rae said this ordinance is to amend a Specific Use Permit that was approved by the City Council on February 1, 2021, to allow 48 patio homes. The developer would like to increase that to 72 patio homes. He has also provided over 14 acres to dedicate to the City for open space.

The Planning and Zoning Commission recommended approval of the SUP.

No citizens appeared before the City Council to discuss Ordinance No. 6371.

ORD 6372 SUP FOR PATIO HOMES (4000-4300 BLOCK OF HUMMINGBIRD DR & 700 BLOCK OF SWAN RIDGE DR)

Mayor Plyler introduced Ordinance No. 6372 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 PATIO HOMES IN AN R-1 (ONE-FAMILY RESIDENTIAL) DISTRICT ON PROPERTY LOCATED IN THE 4000-4300 BLOCKS OF HUMMINGBIRD DRIVE AND THE 700 BLOCK SWAN RIDGE DRIVE, BEING LOTS 14-38, BLOCK 11, LOTS 1-14, BLOCK 12, LOTS 6-10 AND 16-23, BLOCK 13 OF THE PROPOSED THE PRESERVE ADDITION, PHASE III (WESTAR HOME BUILDERS, OWNER; RON WESTERVELT, REPRESENTATIVE; AND UNDERWOOD DRAFTING SURVEYING, SURVEYOR); PROVIDING THAT THIS SPECIFIC USE PERMIT SHALL BE GRANTED SUBJECT TO CERTAIN CONDITIONS; PROVIDING A PENALTY NOT TO EXCEED $2,000.00; PROVIDING A REPEALING/SAVINGS CLAUSE, SEVERABILITY CLAUSE AND AN EFFECTIVE DATE.

Mr. Rae said this Specific Use Permit is to allow 50 patio homes in a R-1 District, in The Preserve, Phase III.

The Planning and Zoning Commission recommended approval of the SUP, with one voting against it, due to his concerns about open space.

<u>Ron Westervelt, 1716 Davy Lane, Denison</u>
Mr. Westervelt appeared representing the applicant, and said they originally requested a SUP for 57 patio homes. They are now requesting for 50 patio homes.

No other citizens appeared before the City Council to discuss Ordinance No. 6372.

Mayor Plyler introduced Ordinance No. 6373 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 213 EAST HILL STREET, BEING 0.172 ACRES OF LAND IN THE J.B. McANAIR SURVEY, ABSTRACT NO. 763 (ROBERTO MERAZ, OWNER; 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 6373
ZONE CHANGE
(213 E. HILL ST)

Mr. Rae said this request was for a zone change from C-2 to R-1, so the property owner can build a home on the site.

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

No citizens appeared before the City Council to discuss Ordinance No. 6373.

Mayor Plyler introduced Ordinance No. 6374 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 4601 NORTH TRAVIS STREET, BEING 21.799± ACRES IN THE JOHN JENNINGS SURVEY, ABSTRACT NO. 647 (BMT GLOBAL LLC, OWNER; HOWARD AKIN, JR., PROSPECTIVE BUYER; HUMPHREYS & PARTNERS ARCHITECTS, LP, ARCHITECT; 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 6374
ZONE CHANGE
(4601 N. TRAVIS ST)

Mr. Rae said this request was for a zone change from an R-1 District to an R-2 District, to allow the developer to build 260 units at this location.

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

No citizens appeared before the City Council to discuss Ordinance No. 6374.

The Public Hearing was closed.

<u>ADOPTION OF ORDINANCES</u>
<u>Ordinance 6367</u>
AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, EXTENDING THE CORPORATE LIMITS OF

ORD 6367
ANNEXATION
THREE OAKS

SAID CITY SO AS TO ANNEX AN AREA OF LAND CONSISTING OF APPROXIMATELY 24.415 ACRES GENERALLY LOCATED EAST OF U.S. HWY 75, SOUTH OF PARK STREET AND ALONG EAST SHERMAN STREET, ADJACENT TO THE SHERMAN CITY LIMITS AND IN THE CITY OF SHERMAN'S EXTRATERRITORIAL JURISDICTION, ON APPLICATION OF THE LANDOWNER; PROVIDING THAT THE OWNERS AND INHABITANTS OF THE SUBJECT AREA OF LAND SHALL BE ENTITLED TO THE RIGHTS AND PRIVILEGES OF OTHER CITIZENS OF THE CITY OF SHERMAN AND SHALL BE BOUND BY THE ACTS AND ORDINANCES NOW IN EFFECT AND HEREINAFTER ADOPTED; AUTHORIZING EXECUTION OF THE ANNEXATION SERVICE PLAN AGREEMENT; PROVIDING FOR A PENALTY FOR A VIOLATION OF THIS ORDINANCE AND SHERMAN'S GENERAL ZONING ORDINANCE, ORDINANCE NO. 2280; PROVIDING A SAVINGS/REPEALING CLAUSE, SEVERABILITY CLAUSE AND AN EFFECTIVE DATE; AND PROVIDING FOR THE PUBLICATION OF THE CAPTION HEREOF.

PHASE 2

Ordinance 6368

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AMENDING SECTION 8, SUBSECTION (5)(A), ORDINANCE NO. 2280, SO AS TO RENEW A SPECIFIC USE PERMIT TO ALLOW NEW AND USED TIRE SALES AND REPAIR, GENERAL MAINTENANCE WITH ALIGNMENTS AND OIL CHANGES IN A C-2 (GENERAL COMMERCIAL) DISTRICT AT 207 AND 209 SOUTH DEWEY AVENUE, BEING 1.091 ACRES IN THE G.B. PILANT SURVEY, ABSTRACT NO. 963 DESCRIBED AS LOTS 3, 4 AND PART OF LOT 5 INCLUDING THE ALLEY LYING BETWEEN LOTS 3 AND 4, BLOCK 3, J.P. LOVING'S 2ND ADDITION (MIGUEL A. AVALOS, OWNER; MIGUEL AVALOS, REPRESENTATIVE; AND UNDERWOOD DRAFTING AND SURVEYING, SURVEYOR); PROVIDING FOR A REPEALER CLAUSE; PROVIDING THAT THIS SPECIFIC USE PERMIT SHALL BE GRANTED SUBJECT TO CERTAIN CONDITIONS; PROVIDING A PENALTY NOT TO EXCEED $2,000.00.

ORD 6368 RENEWAL OF SUP TIRE SALES & REPAIR (207 & 209 DEWEY AVENUE)

Council Member Steele looked at the previous minutes where this Specific Use Permit was granted and it addressed keeping the facility clean and screening through the current fence. He asked if there was any requirement that they screen the existing fence that faces the street.

He thought that was what needed to be screened. He did not feel they were keeping all their items screened. He said there was a food trailer, tires, and a used car on the property that were not screened behind the property. He did say it looked better than it did prior to their business locating there. He felt the chain link fence needed to be screened too.

Mr. Rae said he would review the original conditions and if that was what was required, they will contact the owner. Mr. Hefton said the questions are, is there a current requirement, absent something in a staff review letter, that would require businesses in general to provide this type of screen.

Secondly, what was the discussion about this a year ago. He said he reviewed the original minutes and there was a discussion about screening next to the residential property. He asked, if it wasn't specified then, are they able to add screening to the front, in this Specific Use Permit. Mr. Rae said the Council could add a condition to the Specific Use Permit.

Council Member Steele felt they had "made their point" with these owners, and they have made some improvements to make the site look better. He felt there were many similar businesses that were in violation of this requirement.

He referenced one business that added screening to their chain link fence so the items stored couldn't be seen from the street. He felt the City needed to be consistent in what is allowed.

Mr. Rae said the ordinance does include the requirement that no outdoor storage be visible from the street, so it can be enforced.

Council Member Howeth felt this applicant had done a nice job of keeping the area picked up and looking neat. She felt that "screening" didn't just mean a fence. It might include the plastic slatting that actually hides what is inside the fence. Mr. Rae verified that a chain link fence is "not good enough" for the type of screening that the Council wants.

Council Member Stevenson felt that the ordinance should define "screening" a little bit better.

Ordinance 6369

ORD 6369
SUP FOR MULTI-FAMILY APARTMENTS (1111 GALLAGHER DR)

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 A MULTI-FAMILY RESIDENTIAL COMPLEX (ASPIRE AT SHERMAN APARTMENTS) IN A C-1 (RETAIL BUSINESS) DISTRICT AT 1111 GALLAGHER DRIVE, BEING LOT 1, BLOCK 1, JACKSON WALKER ADDITION, BEING A REPLAT OF ALL OF LOT 7, BLOCK 1, GLECKLER PLAZA ADDITION AND ALL OF LOTS 5 & 6, BLOCK 1, OF THE PARTIAL REPLAT OF GLECKLER PLAZA ADDITION (ASPIRE TWO, LLC, OWNER; RYAN JOHNSON, REPRESENTATIVE; COVENANT DEVELOPMENT, DEVELOPER; CROSS ARCHITECTS, ARCHITECT; CROSS ENGINEERING CONSULTANTS, CIVIL ENGINEER; LEE ENGINEERING, CIVIL ENGINEER; AND UNDERWOOD DRAFTING AND SURVEYING, SURVEYOR); PROVIDING THAT THIS SPECIFIC USE PERMIT SHALL BE GRANTED SUBJECT TO CERTAIN CONDITIONS; PROVIDING A PENALTY NOT TO EXCEED $2,000.00.

Council Member Melton asked if this apartment complex was open to anyone. Mr. Johnson verified that it is open to anyone.

Ordinance 6370

ORD 6370
SUP FOR ATHLETIC FIELD (1360 E. LEWIS ST)

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 AN ATHLETIC FIELD (OUTDOOR COMMERCIAL AMUSEMENT) IN AN R-1 (ONE-FAMILY RESIDENTIAL) DISTRICT/(COLLEGE PARK) OVERLAY DISTRICT AT 1360 EAST LEWIS STREET, BEING LOTS 1-3, BLOCK 4, LUCKETT PARK ADDITION, AND LOTS 4-6, BLOCK 4, MILDRED HEIGHTS ADDITION (THE BOYS AND GIRLS CLUB OF SHERMAN, INC., OWNER; TODD YOUNG, YOUNG ENTERPRISES, REPRESENTATIVE; 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 6371
SUP FOR PATIO HOMES
(2100 BLOCK OF W. MOORE ST)

Ordinance 6371

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AMENDING SECTION 8, SUBSECTION (5)(A), ORDINANCE NO. 2280, REPEALING ORDINANCE NO. 6358, AND GRANTING A SPECIFIC USE PERMIT TO ALLOW (72) PATIO HOMES IN AN R-1 (ONE-FAMILY RESIDENTIAL) DISTRICT ON PROPERTY LOCATED IN THE 2100 BLOCK OF WEST MOORE STREET, LOTS 1-19, BLOCK A, LOTS 1-9, BLOCK B, LOTS 1-22, BLOCK F AND LOTS 1-22, BLOCK G OF THE PROPOSED THE GROVE ADDITION (SSCGC HOLDINGS, LLC, OWNER; GROVE ADDITION DEVELOPMENT JV, APPLICANT; CIVIL POINT ENGINEERS, CIVIL ENGINEER; AND UNDERWOOD DRAFTING SURVEYING, SURVEYOR); PROVIDING THAT THIS SPECIFIC USE PERMIT SHALL BE GRANTED SUBJECT TO CERTAIN CONDITIONS; PROVIDING A PENALTY NOT TO EXCEED $2,000.00; PROVIDING A REPEALING/SAVINGS CLAUSE, SEVERABILITY CLAUSE AND AN EFFECTIVE DATE.

Council Member Melton said she thought the staff was going to present an ordinance for patio homes. But Ordinance Nos. 6371 and 6372 both deal individually with patio homes. Council Member Steele agreed saying they were spending a lot of time and effort on patio homes, when that's what the market wants.

Mr. Rae said the staff was in the process of updating the patio home ordinance, and has met with the Planning and Zoning Commission Subcommittee in March 2021.

A recommendation will be on the Planning and Zoning Commission's agenda on April 20, 2021. Then a draft ordinance will be presented to the City Council for consideration in May 2021.

Council Member Stevenson verified that a patio home can be a minimum lot size width of 40 feet, or anything larger. There is no maximum size. Council Member Stevenson verified that if the lot size was 60 feet, they would be able to fit within an R-1 or SF-1 District.

Council Member Melton verified that the lot size for the patio homes under Ordinance 6371 is 50 feet, and for Ordinance 6372 it is 60 feet.

Mr. Rae said the developers on these projects are looking for exceptions for the setbacks to allow their builder to develop on the property.

Council Member Steele verified that the new patio home ordinance will address both the lot size and the setback.

Council Member Melton asked where the driveways would be located under Ordinance 6371. Mr. Rae said the driveways will be front-facing, but will not be facing Moore Street.

Ordinance 6372

ORD 6372
SUP FOR PATIO HOMES
(4000-4300 BLOCK OF HUMMINGBIRD DR & 700 BLOCK OF SWAN RIDGE DR)

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 PATIO HOMES IN AN R-1 (ONE-FAMILY RESIDENTIAL) DISTRICT ON PROPERTY LOCATED IN THE 4000-4300 BLOCKS OF HUMMINGBIRD DRIVE AND THE 700 BLOCK SWAN RIDGE DRIVE, BEING LOTS 14-38, BLOCK 11, LOTS 1-14, BLOCK 12, LOTS 6-10 AND 16-23, BLOCK 13 OF THE PROPOSED THE PRESERVE ADDITION, PHASE III (WESTAR HOME BUILDERS, OWNER; RON WESTERVELT, REPRESENTATIVE; AND UNDERWOOD DRAFTING SURVEYING, SURVEYOR); PROVIDING THAT THIS SPECIFIC USE PERMIT SHALL BE GRANTED SUBJECT TO CERTAIN CONDITIONS; PROVIDING A PENALTY NOT TO EXCEED $2,000.00; PROVIDING A REPEALING/SAVINGS CLAUSE, SEVERABILITY CLAUSE AND AN EFFECTIVE DATE.

Ordinance 6373

ORD 6373
ZONE CHANGE
(213 E. HILL ST)

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 213 EAST HILL STREET, BEING 0.172 ACRES OF LAND IN THE J.B. McANAIR SURVEY, ABSTRACT NO. 763 (ROBERTO MERAZ, OWNER; 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.

Ordinance 6374

ORD 6374
ZONE CHANGE
(4601 N. TRAVIS ST)

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 4601 NORTH TRAVIS STREET, BEING 21.799± ACRES IN THE JOHN JENNINGS SURVEY, ABSTRACT NO. 647 (BMT GLOBAL LLC, OWNER; HOWARD AKIN, JR., PROSPECTIVE BUYER; HUMPHREYS & PARTNERS ARCHITECTS, LP, ARCHITECT; 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.

Council Member Melton verified that the traffic from this site will come out onto Travis Street. Mr. Rae said there would be one point of ingress and egress from the site.

Council Member Melton asked if there was a plan to widen Travis Street in the near future. Mr. Hefton said there is a list of Texas Department of Transportation projects for the next 30 years, and it is on the list, but not at the top of the list.

ACTION TAKEN.

Motion by Council Member Steele to adopt Ordinance Nos. 6367, 6368, 6369, 6370, 6371, 6372, 6373, and 6374, as presented. Second by Council Member Stevenson.

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

RES 6725
POST OAK WWTP
CONDITION
ASSESSMENT

RESOLUTION NO. 6725 – AUTHORIZING EXECUTION OF A PROFESSIONAL SERVICES AGREEMENT WITH PLUMMER ASSOCIATES, INC. FOR THE POST OAK WASTEWATER TREATMENT PLANT CONDITION ASSESSMENT

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AUTHORIZING EXECUTION OF A PROFESSIONAL SERVICES AGREEMENT WITH PLUMMER ASSOCIATES, INC. FOR ENGINEERING SERVICES FOR THE POST OAK WASTEWATER TREATMENT PLANT CONDITION ASSESSMENT.

Tom Pruitt, Utility Engineer, said this contract is for a Condition Assessment on the Post Oak Wastewater Treatment Plant, and will include the anerobic digesters, lagoon liners, trickling filters, Primary Clarifier #3, the electrical power system, the bar screens, and the blower building.

The assessment will not include the aeration basins, Primary Clarifier #1 and #2, and the biological clarifiers. These items were recently renovated or are currently under rehabilitation.

With approval, the engineering proposals should be complete by December 17, 2021.

Council Member Melton asked for additional clarification. Mr. Pruitt said the engineers will evaluate the Wastewater Treatment Plant, looking at structures and mechanisms, determine how well it works, and prioritize what is needed for future growth or failure of the system.

Council Member Melton questioned that the City was going to spend $200,000 for someone to determine "what could happen" and what the City would need to do if it does happen. Mr. Pruitt said it was a very detailed look into the system and the structure.

Mayor Plyler asked if they would take into account the future capacity that would be needed for projects already approved. Mr. Pruitt said they would look at population projections, but would not look at where Sherman is growing.

Mr. Hefton said the City's Utility Master Plan will address where the City is growing. Council Member Howeth verified that this is an assessment, not a Master Plan. Council Member Melton confirmed that the City has never done this type of condition assessment before.

Mr. Philpott said the City has plant staff that has an idea of what needs to be replaced, but they don't have the time to perform an in-depth, detailed plan as to what needs to be replaced and at what time.

Council Member Melton confirmed that any projects needed would not necessarily be done by the same people doing the assessment. Mr. Philpott said each project would be based on the company that "was the right fit" for the project. They are not guaranteed any projects that might be needed. He added that the reason for the planning now is because of the amount of growth that Sherman is experiencing.

Mr. Hefton said this is not being done for power redundancy, because of the recent power loss. That will be done at the next Council Meeting.

Council Member Holland asked if City staff would be able to perform this type of assessment in the future. Mr. Philpott, said it is possible, but the benefit to having an outside company do it is that they see how other plants operate, and what problems those plants have. It's good to have an expert with fresh ideas.

ACTION TAKEN.
Motion by Council Member Howeth to adopt Resolution No. 6725, as presented. Second by Council Member Stevenson.
VOTING AYE: Holland, Howeth, Melton, Steele, Stevenson.
VOTING NAY: None.
MOTION CARRIED.

RES 6726 WATER SYSTEM EMERGENCY BACKUP POWER PROJECT

RESOLUTION NO. 6726 – AUTHORIZING EXECUTION OF A PROFESSIONAL SERVICES AGREEMENT WITH PARKHILL, SMITH & COOPER, INC. DBA PARKHILL FOR ENGINEERING SERVICES FOR THE WATER SYSTEM EMERGENCY BACKUP POWER PROJECT

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AUTHORIZING EXECUTION OF A PROFESSIONAL SERVICES AGREEMENT WITH PARKHILL, SMITH & COOPER INC., DBA PARKHILL FOR ENGINEERING SERVICES FOR THE WATER SYSTEM EMERGENCY BACKUP POWER PROJECT.

Mr. Pruitt said this contract would initiate services for the Water Treatment Plant's emergency backup generator, which is in direct response to the February 2021 power outage.

The proposed services will include backup power for the Water Treatment Plant and the Raw Water Pump Station at Lake Texoma. With approval, the contract should be completed by September 31, 2021.

Council Member Melton asked if they found out why the electricity was turned off. If they knew why the power was turned off, that might solve the problem. There are dual feeds to the facility, and she asked why would the City need to spend the money for this project.

Mr. Pruitt said both power sources were down during the bad weather. Council Member Steele said there could be a storm, a disaster, or anything that could knock out the power. She questioned whether or not it would knock out both feeds. Mr. Hefton said that pump station is so crucial, and they must be able to rely on backup power, if there is a power outage. He said otherwise, damage could be in the "tens of millions of dollars."

Council Member Melton felt the City staff should be able to say what is needed, instead of hiring a professional company. Mr. Hefton said the staff did not have that expertise.

Mayor Plyler said it is very complicated and should be assessed by a professional. Council Member Melton felt the assessment was for something "that could happen."

Council Member Stevenson said he understood that, but after loosing water and power, he felt the citizens would be willing to pay for the services, not to have that happen again. Mayor Plyler said there were many citizens that depend on power for medical devices and they owe it to the citizens to make sure it doesn't happen again.

Mr. Hefton said there would be additional agenda items for the Council's consideration on construction and implementation of the proposed projects.

Council Member Melton said she wasn't against that, and didn't want to go through that situation again, but felt that City employees should know what it would take to prevent that from happening.

Mr. Pruitt felt this was one of the most efficient ways to assure water. There will not be emergency power to each well site, but in the event of another water/power failure, the valves will be open and the Water Plant will provide water to the entire City.

Council Member Howeth said the City should never have been on the cutoff list for power. Mayor Plyler said the City should not have been on the list, but he wasn't willing to "take a chance" on it.

Mr. Hefton said the City is looking at all types of power coming into the plant, where it comes from and how the dual feeds get switched over. This is not piecemeal, but they are looking at the entire power coming into the plant, and how it will be managed.

ACTION TAKEN.

Motion by Council Member Stevenson to adopt Resolution No. 6726, as presented. Second by Council Member Steele.

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

OTHER BUSINESS

RECEIVE QUARTERLY PROGRESS REPORT FROM SHERMAN ECONOMIC DEVELOPMENT CORPORATION PRESIDENT KENT SHARP

SEDCO QUARTERLY PROGRESS REPORT

Mayor Plyler said Ken Sharp, Sherman Economic Development Corporation President, was called away on business, so this agenda item will be postponed.

FINAL PLAT APPROVAL OF LLOYD PLYLER ADDITION, BEING 19.950 ACRES IN THE SAMUEL M. McGLOTHLIN SURVEY, ABSTRACT NO. 811; LLOYD PLYLER CONSTRUCTION, LLC., OWNER; AND UNDERWOOD DRAFTING AND SURVEYING, SURVEYOR (2300-2600 BLOCKS OF GRAYSTONE ROAD AND THE 3200-3500 BLOCKS OF NORTH FRISCO ROAD)

APPROVE FINAL PLAT LLOYD PLYLER ADDITION (2300-2600 BLOCKS OF GRAYSTONE RD & 3200-3500 BLOCKS OF N. FRISCO RD)

Mayor Plyler said for transparency purposes, he was abstaining from the vote.

Mr. Rae said this item was for Final Plat approval for 13 lots, between one to one-and-a-half acres, off of Graystone Road. The Planning and Zoning Commission approved the item through the Consent Agenda.

Council Member Melton confirmed that the property is zoned C-2, and the owner would like to plat the property into thirteen lots for commercial development. There is no zone change requested.

ACTION TAKEN.

Motion by Council Member Howeth to approve the Final Plat of Lloyd Plyler Addition, located in the 2300 to 2600 blocks of Graystone Road and the 3200 to 3500 blocks of North Frisco Road, as presented. Second by Council Member Stevenson.

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

REPLAT APPROVAL OF ALL OF LOT 7, THE EAST 20 FT. OF LOT 9 AND THE WEST 10 FT. OF LOT 5, BLOCK B, ED MOORE'S FAIR GROUND ADDITION, BEING 0.288 ACRES IN THE SAMUEL BLAGG SURVEY, ABSTRACT NO. 56, BEING ALL OF LOT 7 AND THE EAST 20 FOOT OF LOT 9 AND THE WEST 10 FOOT OF LOT 5, BLOCK B, ED MOORE'S FAIR GROUND ADDITION; HERIBERTO GARCIA, OWNER; AND HELVEY-WAGNER SURVEYING, INC., SURVEYOR (420 & 422 WEST TENNESSEE STREET)

APPROVE REPLAT ED MOORE'S FAIR GROUND ADDITION (420 & 422 W. TENNESSEE ST)

The City Council approved the Replat of Lot 7, the east 20 feet of Lot 9 and the west 10 feet of Lot 5, Block B, in the Ed Moore's Fair Ground Addition, located at 420 and 422 West Tennessee Street.

The property is zoned an R-1 (One Family Residential) District, and the owner would like to Replat the property into two 50 foot wide lots for residential development.

The Planning and Zoning Commission recommended that the Replat be approved, subject to the Staff Review Letter.
CONSENT AGENDA.

APPROVE FINAL PLAT OBARA & ODWESSO ADDITION (1331 W. MOORE ST)

FINAL PLAT APPROVAL OF OBARA AND ODWESSO ADDITION, BEING 1.01 ACRES IN THE ELIZABETH JONES SURVEY, ABSTRACT NO. 652; PETER OBARA AND PAUL ODWESSO, OWNERS; AND UNDERWOOD DRAFTING AND SURVEYING, SURVEYOR (1331 WEST MOORE STREET)
The City Council approved the Final Plat of Obara and Odwesso Addition, located at 1331 West Moore Street.

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

The Planning and Zoning Commission recommended that the Final Plat be approved, subject to the Staff Review Letter.
CONSENT AGENDA.

APPROVE REPLAT A.R. LOVING'S ADDITION (323, 325, 329, 331 & 333 W. JONES ST)

REPLAT APPROVAL OF LOTS 14, 16 & THE W/2 OF 12, A.R. LOVING'S ADDITION, BEING ALL OF LOTS 14 & 16 AND THE WEST 2' OF LOT 12 OF A R LOVING'S ADDITION; THOMAS L. SHIELDS, OWNER; PAUL TERRELL, REPRESENTATIVE, NBS DRAFTING AND DESIGN, DRAFTSMAN AND COPLEY LAND SURVEYING, SURVEYOR (323, 325, 329, 331 AND 333 W. JONES STREET)
The City Council approved the Replat of Lots 14, 16 and the W/2 of 12, in the A.R. Loving's Addition, located at 323, 325, 329, 331, and 333 West Jones Street.

The property is zoned a C-2 (General Commercial) District and located in the Central Business District. The owner would like to Replat the property into three lots for commercial and residential development.

The Planning and Zoning Commission recommended that the Replat be approved, subject to the Staff Review Letter.
CONSENT AGENDA.

CLOSE STREETS FOR EARTH DAY (APRIL 17, 2021)

CONSIDER REQUEST OF THE 2021 EARTH DAY PLANNING COMMITTEE TO TEMPORARILY CLOSE CERTAIN STREETS FOR THE "TEXOMA EARTH DAY RECYCLING EVENT" ON SATURDAY, APRIL 17, 2021
The City Council approved the request of the 2021 Earth Day Planning Committee to temporarily close certain streets for the "Texoma Earth Day Recycling Event" on April 17, 2021.

The event will be held on the Municipal Building Grounds from 9:00 a.m. until 1:00 p.m. The City will provide delivery and pick up of cones and barricades for street closures around the

Municipal Building and North Municipal Building Parking Lot closure, from 7:00 a.m. until 1:30 p.m.
CONSENT AGENDA.

APPROVE FINAL PLAT GROVE ADDITION

FINAL PLAT APPROVAL OF THE GROVE ADDITION, BEING 56.650 ACRES IN THE ELIZABETH JONES SURVEY, ABSTRACT NO. 625; SSCGC HOLDINGS, LLC, OWNER; GROVE ADDITION DEVELOPMENT JV, APPLICANT; CIVIL POINT ENGINEERS, CIVIL ENGINEER; AND UNDERWOOD DRAFTING AND SURVEYING, SURVEYOR (2100 BLK. WEST MOORE STREET)
The City Council approved the Final Plat of The Grove Addition, located in the 2100 block of West Moore Street.

The property is zoned an R-1 (One Family Residential) District. An exception was approved January 12, 2021 to allow six lots to have less than 60 foot lot widths. The layout of the plat changed since it was approved and the owner requested an amendment to the exception to allow eleven lots to have less than 60 foot lot widths to Plat the property into 193 residential lots.

The Planning and Zoning Commission recommended that the Final Plat be approved, subject to the Staff Review Letter.
CONSENT AGENDA.

APPROVE REPLAT ALTONA'S REPLAT (729 E. TAYLOR ST)

REPLAT APPROVAL OF ALTONA'S REPLAT OF LOT B, TAYLOR PLAZA ADDITION, BEING 3.381 ACRES IN THE J.B. McANAIR SURVEY, ABSTRACT NO. 763 AND BEING ALL OF LOT B OF THE TAYLOR PLAZA ADDITION; ALTONA, INC., OWNER; GFM ARCHITECTURE, ARCHITECT, ARRIS CONSULTING, ARCHITECT; AND UNDERWOOD DRFTING AND SURVEYING, SURVEYOR (729 EAST TAYLOR STREET)
The City Council approved a Replat of Altona's Replat of Lot B, in the Taylor Plaza Addition, located at 729 East Taylor Street.

The property is zoned a C-2 (General Commercial) District and an M-1 (Light Manufacturing) District. The owner would like to Replat the property into two lots for commercial development of HTeaO, an iced tea business.

The Planning and Zoning Commission recommended that the Replat be approved, subject to the Staff Review Letter.
CONSENT AGENDA.

APPROVE FINAL PLAT THE PRESERVE, PHASE III (4000-4300 BLOCKS HUMMINGBIRD DR & 700 BLOCK OF SWAN RIDGE

FINAL PLAT APPROVAL OF THE PRESERVE, PHASE III, BEING 16.393 ACRES IN THE ELIZABETH JONES SURVEY, ABSTRACT NO. 625; WESTAR HOME BUILDERS, OWNER; RON WESTERVELT, REPRESENTATIVE; AND UNDERWOOD DRAFTING AND SURVEYING, SURVEYOR (4000-4300 BLOCKS HUMMINGBIRD DRIVE AND 700 BLOCK SWAN RIDGE DRIVE)
The City Council approved the Final Plat of The Preserve, Phase III, located in the 4000 to 4300 blocks of Hummingbird Drive and the 700 block of Swan Ridge Drive.

The property is zoned an R-1 (One Family Residential) District. The owner would like to Plat the property into 57 lots for residential development.

The Planning and Zoning Commission recommended that the Final Plat be approved, subject to the Staff Review Letter.
CONSENT AGENDA.

REPLAT APPROVAL OF TEXOMA RENTALS ADDITION, BEING A REPLAT OF LOTS 13, 14, 15, 16, 17, 18 AND 19, BLOCK 5. W. ELLIOTT'S ADDITION, BEING LOTS 13, 14, 15, 16, 17, 18 & 19, BLOCK 5, W. ELLIOTT'S ADDITION; TEXOMA RENT HOUSE LLC, OWNER, AND UNDERWOOD DRAFTING AND SURVEYING, SURVEYOR (608 SOUTH THROCKMORTON STREET)

APPROVE REPLAT TEXOMA RENTALS ADDITION (608 S. THROCKMORTON ST)

The City Council approved the Replat of Texoma Rentals Addition, located at 608 South Throckmorton Street.

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

The Planning and Zoning Commission recommended that the Replat be approved, subject to the Staff Review Letter.
CONSENT AGENDA.

MEDIA QUESTIONS

MEDIA QUESTIONS

There were no media questions.

COUNCIL COMMENTS

GROWTH IN SHERMAN

GROWTH IN SHERMAN

Council Member Stevenson said, at tonight's meeting alone, they approved 123 single-family residences, and 500 multi-family units. Sherman is growing rapidly and is a smart City.

BOYS AND GIRLS CLUB ATHLETIC FIELD

BOYS & GIRLS CLUB ATHLETIC FIELD

Deputy Mayor Holland recognized the group putting together the Athletic Field for the Boys and Girls Club. He said it was really needed.

ANNOUNCEMENTS

ANNOUNCEMENTS

Mayor Plyler announced the following:

- **The Sherman Farmers Market will open for the season on April 10, 2021, with a host of home-grown vendors offering all sorts of local food and crafts. It's held each Saturday morning starting at 9:00 a.m. at the corner of Crockett and Houston streets.**

- **Downtown Sherman Now will host a huge sidewalk sale around the Courthouse Square on April 24, 2021. The event will begin at 9:00 a.m.**

- **"Craft the Night Away" will be held on June 19, 2021 and is one of Sherman's largest gatherings of the year. This year they will also host a fiddling contest during the event.**

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

EXECUTIVE SESSION

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

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

- **(a) RECEIVE LEGAL ADVICE REGARDING THE CITY'S RESPONSE TO SEVERE WEATHER THAT OCCURRED IN FEBRUARY 2021**

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

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

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

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

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

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

There was no need for an Executive Session at this meeting.

ADJOURNMENT **ADJOURNMENT**
On Motion duly made and carried, the meeting adjourned at 6:00 p.m.

MAYOR

CITY CLERK

SHERMAN CITY COUNCIL
Agenda Communication Form

City Council Regular Meeting **C. 1.**

Meeting Date: 04/19/2021

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. 8. **** RESOLUTION NO. 6734***

Declaring the City of Sherman's Eligibility and Intention to Participate in a Residential Tax Abatement Program to Promote Development/Redevelopment in Certain Areas of the City; Establishing Guidelines and Criteria

E. 9. **** RESOLUTION NO. 6735***

Authorizing the Purchase of a New Kubota Rubber Track Excavator from Zimmerer Kubota & Equipment, Inc. for the Cemetery Department through the Texas Local Government Purchasing Cooperative (Buyboard)

F. 2. **** OTHER BUSINESS***

Approve Quarterly Investment Report for Quarter Ended March 31, 2021

SHERMAN CITY COUNCIL
Agenda Communication Form

City Council Regular Meeting **D. 1.**

Meeting Date: 04/19/2021

Prepared By: Mary Lawrence, Director of Finance

Approved By: Robby Hefton, City Manager

Caption:

INTRODUCTION AND PUBLIC HEARING OF ORDINANCE NO. 6375

Authorizing the Issuance of "CITY OF SHERMAN, TEXAS, LIMITED TAX NOTES, SERIES 2021"; Specifying the Terms and Features of Said Notes; Levying a Continuing Direct Annual Ad Valorem Tax for the Payment of Such Notes; and Resolving Other Matters Incident and Related Thereto, Including the Approval and Execution of a Paying Agent/Registrar Agreement and the Approval and Distribution of an Official Statement and Providing an Effective Date

Issue:

Consider all matters incident and related to the issuance and sale of City of Sherman, Texas, Limited Tax Notes, Series 2021, including the adoption of an ordinance authorizing the issuance of such tax notes

Background:

As part of the fiscal year 2021 budget, the Council approved the purchase of fleet and equipment including an ambulance, fire engine, and brush truck for the fire department; a commercial front-load truck for the solid waste department; and a dump truck, trailer, bucket truck and chipper truck for the street department, all funded by Tax Note proceeds. This Ordinance authorizes the issue of the notes and their repayment over the next five (5) years. The proceeds from issuance are expected to be received on May 18, 2021. The Notes are secured by an ad valorem tax pledge as security.

Origination:

City Manager's Office

Financial Consideration:

The cost of issuance for these Notes will be about $25,000.00, the cost of which will be netted against the proceeds from issuance.

Staff Recommendation:

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

Alternatives:

No alternatives can be recommended by staff at this time.

Attachments

Ordinance No. 6375

Exhibit A

ORDINANCE NO. 6375

AN ORDINANCE AUTHORIZING THE ISSUANCE OF "CITY OF SHERMAN, TEXAS, LIMITED TAX NOTES, SERIES 2021"; SPECIFYING THE TERMS AND FEATURES OF SUCH NOTES; LEVYING A CONTINUING DIRECT ANNUAL AD VALOREM TAX FOR THE PAYMENT OF SUCH NOTES; AND RESOLVING OTHER MATTERS INCIDENT AND RELATED THERETO, INCLUDING THE APPROVAL AND EXECUTION OF A PAYING AGENT/REGISTRAR AGREEMENT AND THE APPROVAL AND DISTRIBUTION OF AN OFFICIAL STATEMENT AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, pursuant to the Texas Government Code, Chapter 1431, as amended (hereinafter called the "Act"), the City Council is authorized and empowered to issue anticipation notes to pay contractual obligations to be incurred for (i) the construction of any public work, (ii) the purchase of materials, supplies, equipment, machinery, buildings, lands and rights-of-way for the City's authorized needs and purposes, and (iii) a professional service; and

WHEREAS, in accordance with the provisions of the Act, the City Council hereby finds and determines that anticipation notes should be issued and sold at this time to finance the costs of paying contractual obligations to be incurred to pay (i) the costs of purchasing equipment, machinery, and vehicles for various City departments, including the Community Services, Development Services, Fire, Parks and Recreation, Solid Waste and Recycling, and Street departments, and (ii) to pay professional services rendered in relation to such projects and the financing thereof; now, therefore,

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

SECTION 1. Authorization – Designation - Principal Amount - Purpose. Notes of the City of Sherman, Texas (the "City") shall be and is hereby authorized to be issued in the aggregate principal amount of $_____, to be designated and bear the title "CITY OF SHERMAN, TEXAS, LIMITED TAX NOTES, SERIES 2021" (hereinafter referred to as the "Notes"), for the purpose of paying contractual obligations to be incurred to pay (i) the costs of purchasing equipment, machinery, and vehicles for various City departments, including the Community Services, Development Services, Fire, Parks and Recreation, Solid Waste and Recycling, and Street departments, and (ii) to pay professional services rendered in relation to such projects and the financing thereof, in conformity with the Constitution and laws of the State of Texas, including the Act.

SECTION 2. Fully Registered Obligations - Note Date - Authorized Denominations - Stated Maturities - Interest Rates. The Notes shall be issued as fully registered obligations only, shall be dated the date of initial delivery (the "Note Date"), shall be issued in denominations of $5,000 or any integral multiple thereof, and principal payments shall become due and payable on August 15 in each of the years and in the amounts (the "Stated Maturities") and bear interest at the per annum rate(s) in accordance with the following schedule:

Year of Payment	Principal Amounts ($)	Interest Rate(s) (%)
2021	370,000	
2022	335,000	
2023	345,000	
2024	355,000	
2025	365,000	
2026	375,000	

The Notes shall bear interest on the unpaid principal amounts from the date of delivery to the initial purchasers (anticipated to be May 18, 2021) at the per annum rate(s) shown above in this Section. Interest on the Notes shall be calculated on the basis of a 360-day year of twelve 30-day months, and such interest shall be payable on February 15 and August 15 of each year, commencing August 15, 2021, until maturity.

SECTION 3. Terms of Payment - Paying Agent/Registrar. The principal of, premium, if any, and the interest on the Notes, due and payable by reason of maturity, or otherwise, shall be payable only to the registered owners or holders of the Notes (hereinafter called the "Holders") appearing on the registration and transfer books 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 Bank of New York Mellon Trust Company, N.A., Dallas, Texas, to serve as Paying Agent/Registrar for the Notes is hereby approved and confirmed. Books and records relating to the registration, payment, transfer and exchange of the Notes (the "Security Register") shall at all times be kept and maintained on behalf of the City by the Paying Agent/Registrar, as provided herein and 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 City may prescribe. The Mayor or Mayor Pro Tem and the City Clerk are authorized to execute and deliver such Paying Agent/Registrar Agreement in connection with the delivery of the Notes. The City covenants to maintain and provide a Paying Agent/Registrar at all times until the Notes are paid and discharged, and any successor Paying Agent/Registrar shall be a 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 Notes, the City 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 Notes shall be payable at the Stated Maturities only upon presentation and surrender of the Notes to the Paying Agent/Registrar at its designated offices, initially in East Syracuse, New York, or, with respect to a successor Paying Agent/Registrar, at the designated offices of such successor (the "Designated Payment/Transfer Office"). Interest on the Notes shall be paid to the Holders whose names appear in the Security Register at the close of business on the Record Date (the last business day of the month next preceding the 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 Notes shall be a Saturday, Sunday, a legal holiday, or a day when 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 when such 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 City. Notice of the Special Record Date and of the scheduled payment date of the past due interest (which shall be 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 4. No Redemption. The Notes are not subject to redemption prior to maturity.

SECTION 5. Registration – Transfer - Exchange of Notes - Predecessor Notes. The Paying Agent/Registrar shall obtain, record, and maintain in the Security Register the name and address of each and every owner of the Notes issued under and pursuant to the provisions of this Ordinance, or if appropriate, the nominee thereof. Any Note may be exchanged for Notes of other authorized denominations by the Holder, in person or by his duly authorized agent, upon surrender of such Note 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 Note (other than the Initial Note authorized in Section 7 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 Notes of authorized denominations and having the same Stated Maturity and of a like aggregate principal amount as the Note or Notes surrendered for transfer.

At the option of the Holder, Notes (other than the Initial Note authorized in Section 7 hereof) may be exchanged for other Notes of authorized denominations and having the same Stated Maturity, bearing the same rate of interest and of like aggregate principal amount as the Notes surrendered for exchange, upon surrender of the Notes to be exchanged at the Designated Payment/Transfer Office of the Paying Agent/Registrar. Whenever any Notes are surrendered for exchange, the Paying Agent/Registrar shall register and deliver new Notes to the Holder requesting the exchange.

All Notes issued in any transfer or exchange of Notes 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 City, evidencing the same obligation to pay, and entitled to the same benefits under this Ordinance, as the Notes surrendered in such transfer or exchange.

All transfers or exchanges of Notes 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.

Notes canceled by reason of an exchange or transfer pursuant to the provisions hereof are hereby defined to be "Predecessor Notes," evidencing all or a portion, as the case may be, of the same obligation to pay evidenced by the new Note or Notes registered and delivered in the exchange or transfer therefor. Additionally, the term "Predecessor Notes" shall include any mutilated, lost, destroyed, or stolen Note for which a replacement Note has been issued, registered and delivered in lieu thereof pursuant to the provisions of Section 10 hereof and such new replacement Note shall be deemed to evidence the same obligation as the mutilated, lost, destroyed, or stolen Note.

SECTION 6. Book-Entry-Only Transfers and Transactions. Notwithstanding the provisions contained in Sections 3, 4, and 5 of this Ordinance relating to the payment, transfer, and exchange of the Notes, the City hereby approves and authorizes the use of "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 the Blanket Issuer Letter of Representations by and between the City and DTC (the "Depository Agreement").

Pursuant to the Depository Agreement and the rules of DTC, the Notes shall be deposited with DTC who shall hold said Notes for its participants (the "DTC Participants"). While the Notes are held by DTC under the Depository Agreement, the Holder of the Notes 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 Note (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 Notes or otherwise ceases to provide book-entry clearance and settlement of securities transactions in general or the City determines that DTC is incapable of properly discharging its duties as securities depository for the Notes, the City covenants and agrees with the Holders of the Notes to cause Notes to be printed in definitive form and issued and delivered to DTC Participants and Beneficial Owners, as the case may be. Thereafter, the Notes in definitive form shall be assigned, transferred and exchanged on the Security Register maintained by the Paying Agent/Registrar and payment of such Notes shall be made in accordance with the provisions of Sections 3, 4 and 5 of this Ordinance.

SECTION 7. Execution - Registration. The Notes shall be executed on behalf of the City by the Mayor or Mayor Pro Tem under its seal reproduced or impressed thereon and countersigned by the City Clerk. The signature of such officers on the Notes may be manual or facsimile. Notes bearing the manual or facsimile signatures of individuals who are or were the proper officers of the City on the date of adoption of this Ordinance shall be deemed to be duly executed on behalf of the City, notwithstanding whether any of such individuals shall cease to hold such offices at the time of delivery of the Notes to the initial purchaser(s) and with respect to Notes delivered in subsequent exchanges and transfers, all as authorized and provided in the Texas

Government Code, Chapter 1201, as amended.No Note shall be entitled to any right or benefit under this Ordinance, or be valid or obligatory for any purpose, unless there appears on such Note either a certificate of registration substantially in the form provided in **Exhibit B**, manually executed by the Comptroller of Public Accounts of the State of Texas, or his duly authorized agent, or a certificate of registration substantially in the form provided in **Exhibit B**, manually executed by an authorized officer, employee or representative of the Paying Agent/Registrar, and either such certificate duly signed upon any Note shall be conclusive evidence, and the only evidence, that such Note has been duly certified, registered, and delivered.

SECTION 8. Initial Note. The Notes herein authorized shall be initially issued as a single, fully registered note in the total principal amount stated in Section 1 hereof with principal installments to become due and payable as provided in Section 2 hereof and numbered T-1, (hereinafter called the "Initial Note") and the Initial Note shall be registered in the name of the initial purchaser(s) or the designee thereof. The Initial Note shall be the Note 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) as the definitive Note with the Registration Certificate of Paying Agent/Registrar attached thereto. Any time after the delivery of the Initial Note, the Paying Agent/Registrar, pursuant to written instructions from the initial purchaser(s), or the designee thereof, may cancel the Initial Note delivered hereunder and exchange therefor definitive Notes 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. Forms Generally. The Notes, the Registration Certificate of the Comptroller of Public Accounts of the State of Texas, the Registration Certificate of Paying Agent/Registrar, and the form of Assignment to appear on each of the Notes, shall be substantially in the forms set forth in **Exhibit B** attached hereto with such appropriate insertions, omissions, substitutions, and other variations as are permitted or required by this Ordinance and 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 Notes, or any maturities thereof, are purchased with insurance) and any reproduction of an opinion of counsel thereon as may, consistent herewith, be established by the City or determined by the officers executing such Notes as evidenced by their execution. Any portion of the text of any Note may be set forth on the reverse thereof, with an appropriate reference thereto on the face of the Note.

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

SECTION 10. Levy of Taxes. To provide for the payment of the "Debt Service Requirements" of the Notes, being (i) the interest on the Notes and (ii) a sinking fund for their payment at maturity or a sinking fund of 2% (whichever amount is the greater), there is hereby

levied, and there shall be annually assessed and collected in due time, form, and manner, a tax on all taxable property in the City, within the limitations prescribed by law, and such tax hereby levied on each one hundred dollars' valuation of taxable property in the City for the Debt Service Requirements of the Notes shall be at a rate from year to year as will be ample and sufficient to provide funds each year to pay the principal of and interest on such Notes while Outstanding; full allowance being made for delinquencies and costs of collection; separate books and records relating to the receipt and disbursement of taxes levied, assessed and collected for and on account of the Notes shall be kept and maintained by the City at all times while the Notes are Outstanding, and the taxes collected for the payment of the Debt Service Requirements on the Notes shall be deposited to the credit of a "Special 2021 Note Account" (the "Interest and Sinking Fund") maintained on the records of the City and deposited in a special fund maintained at an official depository of the City's funds; and such tax hereby levied, and to be assessed and collected annually, is hereby pledged to the payment of the Notes.The Mayor, Mayor Pro Tem, City Manager, Assistant City Manager, Director of Finance, and City Clerk of the City, individually or jointly, are hereby authorized and directed to cause to be transferred to the Paying Agent/Registrar for the Notes, from funds on deposit in the Interest and Sinking Fund, amounts sufficient to fully pay and discharge promptly each installment of interest and principal of the Notes as the same accrues or matures; such transfers of funds to be made in such manner as will cause collected funds to be deposited with the Paying Agent/Registrar on or before each principal and interest payment date for the Notes.

SECTION 11. **Mutilated - Destroyed - Lost and Stolen Notes**. In case any Note shall be mutilated, or destroyed, lost or stolen, the Paying Agent/Registrar may execute and deliver a replacement Note of like form and tenor, and in the same denomination and bearing a number not contemporaneously outstanding, in exchange and substitution for such mutilated Note, or in lieu of and in substitution for such destroyed, lost or stolen Note, only upon the approval of the City 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 Note, 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 City and the Paying Agent/Registrar harmless. All expenses and charges associated with such indemnity and with the preparation, execution and delivery of a replacement Note shall be borne by the Holder of the Note mutilated, or destroyed, lost or stolen.Every replacement Note issued pursuant to this Section shall be a valid and binding obligation, and shall be entitled to all the benefits of this Ordinance equally and ratably with all other Outstanding Notes; notwithstanding the enforceability of payment by anyone of the destroyed, lost, or stolen Notes.

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 Notes.

SECTION 12. **Satisfaction of Obligation of City**. If the City 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 Notes, at the times and in the manner stipulated in this Ordinance, then the pledge of taxes levied under this Ordinance and all covenants, agreements, and other obligations of the City to the Holders shall thereupon cease, terminate, and be discharged and satisfied.Notes 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 Notes or the principal amount(s) thereof at maturity, 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 Securities shall have been irrevocably deposited in trust with the Paying Agent/Registrar, or an authorized escrow agent, which Government Securities 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 Notes, or the principal amount(s) thereof, on and prior to the Stated Maturity thereof. In the event of a defeasance of the Notes, the City 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 Securities to pay, when due, the principal of and interest due on any defeased Notes. The City covenants that no deposit of moneys or Government Securities will be made under this Section and no use made of any such deposit which would cause the Notes 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.

The term "Government Securities", as used herein, means (i) direct noncallable obligations of the United States, including obligations that are unconditionally guaranteed by, the United States of America; (ii) noncallable obligations of an agency or instrumentality of the United States, including obligations that are unconditionally guaranteed or insured by the agency or instrumentality and that, on the date the governing body of the issuer adopts or approves the proceedings authorizing the issuance of refunding bonds, 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 the governing body of the issuer adopts or approves the proceedings authorizing the issuance of refunding bonds, are rated as to investment quality by a nationally recognized investment rating firm not less than "AAA" or its equivalent; or (iv) any additional securities and obligations hereafter authorized by the laws of the State of Texas as eligible for use to accomplish the discharge of obligations such as the Notes.

Any moneys so deposited with the Paying Agent/Registrar, or an authorized escrow agent, and all income from Government Securities 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 Notes, or any principal amount(s) thereof, or interest thereon with respect to which such moneys have been so deposited shall be remitted to the City or deposited as directed by the City. Furthermore, any money held by the Paying Agent/Registrar for the payment of the principal of and interest on the Notes and remaining unclaimed for a period of three (3) years after the Stated Maturity of the Notes such moneys were deposited and are held in trust to pay shall upon the request of the City be remitted to the City against a written receipt therefor. Notwithstanding the above and foregoing, any remittance of funds from the Paying Agent/Registrar to the City shall be subject to any applicable unclaimed property laws of the State of Texas.

SECTION 13. Ordinance a Contract - Amendments - Outstanding Notes. This Ordinance shall constitute a contract with the Holders from time to time, be binding on the City, and shall not be amended or repealed by the City so long as any Note remains Outstanding except as permitted in this Section. The City may, without the consent of or notice to any Holders, from

time to time and at any time, amend this Ordinance 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 City may, with the written consent of Holders holding a majority in aggregate principal amount of the Notes then Outstanding, amend, add to, or rescind any of the provisions of this Ordinance; provided that, without the consent of all Holders of Outstanding Notes, 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 Notes, reduce the principal amount thereof, 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 Notes, (2) give any preference to any Note over any other Note, or (3) reduce the aggregate principal amount of Notes required to be held by Holders for consent to any such amendment, addition, or rescission. The term "Outstanding" when used in this Ordinance with respect to Notes means, as of the date of determination, all Notes theretofore issued and delivered under this Ordinance, except:

(1) those Notes cancelled by the Paying Agent/Registrar or delivered to the Paying Agent/Registrar for cancellation;

(2) those Notes deemed to be duly paid by the City in accordance with the provisions of Section 11 hereof; and

(3) those mutilated, destroyed, lost, or stolen Notes which have been replaced with Notes registered and delivered in lieu thereof as provided in Section 10 hereof.

SECTION 14. Covenants to Maintain Tax-Exempt Status.

(a) Definitions. When used in this Section 13, the following terms have the following meanings:

"Closing Date" means the date on which the Notes 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 Notes.

"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 Notes are invested and which is not acquired to carry out the governmental purposes of the Notes.

"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 Notes. 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 (1) any Investment has the meaning set forth in Section 1.148-5 of the Regulations and (2) the Notes has the meaning set forth in Section 1.148-4 of the Regulations.

(b) Not to Cause Interest to Become Taxable. The City 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 Note 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 City 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 Note, the City 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 City shall at all times prior to the last Stated Maturity of Notes:

(a) 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 Notes, 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

(b) 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 Notes or any property the acquisition, construction or improvement of which is to be financed or refinanced directly or indirectly with such Gross Proceeds, other than taxes of general application within the City 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 City shall not use Gross Proceeds of the Notes 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 City shall not at any time prior to the final Stated Maturity of the Notes 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 Notes.

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

(g) Information Report. The City 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:

(1) The City 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 Note is discharged. However, to the extent permitted by law, the City may commingle Gross Proceeds of the Notes with other money of the City, provided that the City separately accounts for each receipt and expenditure of Gross Proceeds and the obligations acquired therewith.

(2) Not less frequently than each Computation Date, the City 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 City shall maintain such calculations with its official transcript of proceedings relating to the issuance of the Notes until six years after the final Computation Date.

(3) As additional consideration for the purchase of the Notes by the Purchaser 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 City shall pay to the United States from the construction fund, other appropriate fund, or if permitted by applicable Texas statute, regulation or opinion of the Attorney General of the State of Texas, the Interest and Sinking Fund, the amount that when added to the future value of previous rebate payments made for the Notes 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.

(4) The City 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 City shall not, at any time prior to the earlier of the Stated Maturity or final payment of the Notes, 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 Notes not been relevant to either party.

(j) Elections. The City hereby directs and authorizes the Mayor, Mayor Pro Tem, City Manager, Assistant City Manager, Director of Finance, and City Clerk, 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 Notes, in the Certificate as to Tax Exemption or similar or other appropriate certificate, form or document

SECTION 15. Sale of Notes. Pursuant to a public sale for the Notes, the bid submitted by _____ (herein referred to as the "Purchaser") is declared to be the best bid received producing the lowest true interest cost rate to the City, and the sale of the Notes to the Purchaser at the price of $_____ representing _____% of the par value, is hereby approved and confirmed. Delivery of the Notes to the Purchaser shall occur as soon as possible upon payment being made therefor in accordance with the terms of sale. The terms of sale are hereby declared to be in the best interest of the City.

SECTION 16. Official Statement. The use of the Preliminary Official Statement in the offering and sale of the Notes is hereby ratified, confirmed and approved in all respects, and the City Council hereby finds that the information and data contained in said Preliminary Official Statement pertaining to the City and its financial affairs is true and correct in all material respects and no material facts have been omitted therefrom which are necessary to make the statements therein, in light of the circumstances under which they were made, not misleading. The final Official Statement, which reflects the terms of sale (together with such changes approved by the Mayor, Mayor Pro Tem, City Manager, Assistant City Manager, Director of Finance or City Clerk,

one or more of said officials), shall be and is hereby in all respects approved and the Purchaser is hereby authorized to use and distribute said final Official Statement, dated April 19, 2021, in the offering, sale and delivery of the Notes to the public.

SECTION 17. **Control and Custody of Notes**. The Mayor of the City 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 Notes, and shall take and have charge and control of the Initial Note pending the approval thereof by the Attorney General, the registration thereof by the Comptroller of Public Accounts and the delivery thereof to the initial purchaser.

SECTION 18. **Proceeds of Sale**. The proceeds of sale of the Notes, excluding any amounts set aside to pay costs of issuance, shall be deposited in a construction fund maintained at a depository of the City. Pending expenditure for authorized projects and purposes, such proceeds of sale may be invested in authorized investments in accordance with the provisions of the Texas Government Code, Chapter 2256, as amended, and the City's investment policies and guidelines, and any investment earnings realized shall be expended for such authorized projects and purposes or deposited in the Interest and Sinking Fund as shall be determined by the appropriate authorized officials of the City. Any excess Note proceeds, including investment earnings, remaining after completion of all authorized projects or purposes shall be deposited to the credit of the Interest and Sinking Fund.

SECTION 19. **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 a 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.

"SEC" means the United States Securities and Exchange Commission.

(b) Annual Reports. The City shall provide annually to the MSRB (1) within six months after the end of each fiscal year of the City beginning in the year 2021, financial information and operating data with respect to the City of the general type included in Tables 1 through 4 and 6 through 9 in Appendix A of the final Official Statement and (2) within twelve months after the end of each fiscal year of the City beginning in the year 2021, the audited financial statements of the City. If the audit of such financial statements is not complete within twelve (12) months after any such fiscal year end, then the City shall file unaudited financial statements by the required time and audited financial statements for the applicable fiscal year, when and if the audit

report becomes available. Any financial statements to be provided shall be (i) prepared in accordance with the accounting principles described in Appendix C to the Official Statement, or such other accounting principles as the City may be required to employ from time to time pursuant to state law or regulation, and in substantially the form included in the Official Statement, and (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 City 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 City 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 documents available to the public on the MSRB's internet web site or filed with the SEC.

(c) Notice of Certain Events. The City shall provide notice of any of the following events with respect to the Notes to the MSRB in a timely manner and not more than ten (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 Notes, or other material events affecting the tax status of the Notes;
7. Modifications to rights of holders of the Notes, if material;
8. Note calls, if material, and tender offers;
9. Defeasances;
10. Release, substitution, or sale of property securing repayment of the Notes, 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.

For these purposes, (a) any event described in the immediately preceding Subsection (c)12 is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent, or similar officer for the City 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 City, 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 City, and (b) the City intends the words used in the immediately preceding Subsections (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 City shall notify the MSRB, in a timely manner, of any failure by the City to provide financial information or operating data in accordance with Subsection (b) of this Section of this Ordinance by the time required by such 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 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 City remains an "obligated person" with respect to the Notes within the meaning of the Rule, except that the City in any event will give the notice required by Subsection (c) of this Section of any Note calls and defeasance that cause the City 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 Notes; 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 City undertakes to provide only the financial information, operating data, financial statements, and notices which it has expressly agreed to provide pursuant to this Section. Except as expressly provided within this Section, the City does not undertake to provide any other information, whether or not it may be relevant or material to a complete presentation of the City's financial results, condition, or prospects; nor does the City undertake to update any information provided in accordance with this Section or otherwise. Furthermore, the City does not make any representation or warranty concerning such information or its usefulness to a decision to invest in or sell Notes at any future date.

UNDER NO CIRCUMSTANCES SHALL THE CITY BE LIABLE TO THE HOLDER OR BENEFICIAL OWNER OF ANY NOTE 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.

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

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

Notwithstanding anything herein to the contrary, the provisions of this Section may be amended by the City 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 City, but only if (1) the provisions of this Section, as so amended, would have permitted an underwriter to purchase or sell Notes in the primary offering of the Notes 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 Ordinance that authorizes such an amendment) of the Outstanding Notes 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 Notes. The provisions of this Section may also be amended from time to time or repealed by the City 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 City's right to do so would not prevent underwriters of the initial public offering of the Notes from lawfully purchasing or selling Notes in such offering. If the City so amends the provisions of this Section, it shall include with any amended financial information or operating data next provided pursuant to subsection (b) of this Section 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 20. Notices to Holders - Waiver. Wherever this Ordinance 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 appearing in the Security Register at the close of business on the business day next preceding the mailing of such notice.In any case where 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 Notes. Where this Ordinance 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 21. **Cancellation.** All Notes surrendered for payment, transfer, exchange, or replacement, if surrendered to the Paying Agent/Registrar, shall be promptly canceled by it and, if surrendered to the City, shall be delivered to the Paying Agent/Registrar and, if not already canceled, shall be promptly canceled by the Paying Agent/Registrar. The City may at any time deliver to the Paying Agent/Registrar for cancellation any Notes previously certified or registered and delivered which the City may have acquired in any manner whatsoever, and all Notes so delivered shall be promptly canceled by the Paying Agent/Registrar. All canceled Notes held by the Paying Agent/Registrar shall be returned to the City.

SECTION 22. **Legal Opinion**. The Purchaser's obligation to accept delivery of the Notes is subject to being furnished a final opinion of Norton Rose Fulbright US LLP, Dallas, Texas ("Bond Counsel"), approving the Notes as to their validity, such opinion to be dated and delivered as of the date of delivery and payment for the Notes. An executed counterpart of said opinion shall accompany the global notes deposited with DTC or a reproduction thereof shall be printed on the definitive notes in the event the book-entry-only system shall be discontinued. The engagement of Bond Counsel as bond counsel to the City is hereby approved, ratified and confirmed.Benefits of Ordinance. Nothing in this Ordinance, expressed or implied, is intended or shall be construed to confer upon any person other than the City, the Paying Agent/Registrar and the Holders, any right, remedy, or claim, legal or equitable, under or by reason of this Ordinance or any provision hereof, this Ordinance and all its provisions being intended to be and being for the sole and exclusive benefit of the City, the Paying Agent/Registrar and the Holders.

SECTION 24. **Inconsistent Provisions**. All ordinances, orders or resolutions, or parts thereof, which are in conflict or inconsistent with any provision of this Ordinance are hereby repealed to the extent of such conflict, and the provisions of this Ordinance shall be and remain controlling as to the matters contained herein.

SECTION 25. **Governing Law.** This Ordinance shall be construed and enforced in accordance with the laws of the State of Texas and the United States of America.Effect of Headings. The Section headings herein are for convenience of reference only and shall not affect the construction hereof.

SECTION 27. **Construction of Terms.** If appropriate in the context of this Ordinance, words of the singular number shall be considered to include the plural, words of the plural number shall be considered to include the singular, and words of the masculine, feminine or neuter gender shall be considered to include the other genders.

SECTION 28. **Severability.** If any provision of this Ordinance or the application thereof to any circumstance shall be held to be invalid, the remainder of this Ordinance and the application thereof to other circumstances shall nevertheless be valid, and the City Council hereby declares that this Ordinance would have been enacted without such invalid provision.

SECTION 29. **Further Procedures**. Any one or more of the Mayor, Mayor Pro Tem, City Manager, Assistant City Manager, Director of Finance, and City Clerk 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 City 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 Ordinance and the issuance of the Notes. In addition, prior to the initial delivery of the Notes, the Mayor, Mayor Pro Tem, City Manager, Assistant City Manager, Director of Finance, and City Clerk, or Bond Counsel to the City are each hereby authorized and directed to approve any changes or corrections to this Ordinance or to any of the documents authorized and approved by this Ordinance: (i) in order to cure any ambiguity, formal defect or omission in the Ordinance 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 Notes by the Attorney General and if such officer or counsel determines that such changes are consistent with the intent and purpose of the Ordinance, which determination shall be final. In the event that any officer of the City 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.

Additionally, the Mayor, Mayor Pro Tem, City Manager, Assistant City Manager, Director of Finance, and City Clerk may execute, authenticate, certify, or endorse or authorize to be executed, authenticated, certified, or endorsed with such officer's facsimile signature instead of the officer's manual signature any written agreement, including a contract, purchase order or surety bond, and any related document, including an application, certificate, or approval. For purposes of this Ordinance, "facsimile signature" means a reproduction of the manual signature of an authorized officer that is made by any method.

SECTION 30. **Incorporation of Findings and Determinations.** 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 31. **Public Meeting**. It is officially found, determined, and declared that the meeting at which this Ordinance 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 Ordinance, was given, all as required by the Texas Government Code, Chapter 551, as amended.

SECTION 32. **Effective Date.** This Ordinance shall be in force and effect from and after its passage on the date shown below in accordance with the Texas Government Code, Section 1201.028, as amended, and it is so ordained.

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: _____

NAME: _____
CITY ATTORNEY

EXHIBIT A

PAYING AGENT REGISTRAR/AGREEMENT

EXHIBIT B

FORM OF NOTES

(a) Form of Definitive Notes.

REGISTERED NO. R-___ REGISTERED $_____

UNITED STATES OF AMERICA
STATE OF TEXAS
CITY OF SHERMAN, TEXAS
LIMITED TAX NOTES, SERIES 2021

Note Date:	Interest Rate:	Stated Maturity:	CUSIP NO:
May 18, 2021	_____%	August 15, _____	

Registered Owner:

Principal Amount:

The City of Sherman, Texas (hereinafter referred to as the "City"), a body corporate and political subdivision in the County of Grayson, State of Texas, for value received, acknowledges itself indebted to and hereby promises to pay to the Registered Owner named above, or the registered assigns thereof, on the Stated Maturity date specified above the Principal Amount hereinabove stated, without right of prior redemption, and to pay interest on the unpaid principal amount hereof from the interest payment date next preceding the "Registration Date" of this Note appearing below (unless this Note 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 Note is prior to the initial interest payment date in which case it shall bear interest from the date of its delivery to the initial purchaser) 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 February 15 and August 15 in each year, commencing August 15, 2021, until maturity. Principal of this Note shall be payable at its Stated Maturity to the Registered Owner hereof upon presentation and surrender at the designated offices of the Paying Agent/Registrar executing the registration certificate appearing hereon, initially in East Syracuse, New York, or, with respect to a successor Paying Agent/Registrar, at the designated offices of such successor (the "Designated Payment/Transfer Office"). Interest is payable to the registered owner of this Note (or one or more Predecessor Notes, as defined in the Ordinance 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 last business 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 registered owner. If the date for the payment of the principal of or interest on the Notes shall be a Saturday, Sunday, a legal holiday, or a day when 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 when such 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. All payments of principal of, premium, if any, and interest on this Note shall be without exchange or collection charges to the owner hereof and 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.

This Note is issued in the aggregate principal amount of $_____ (herein referred to as the "Notes") for the purpose of paying contractual obligations to be incurred to pay (i) the costs of purchasing equipment, machinery, and vehicles for various City departments, including the Community Services, Development Services, Fire, Parks and Recreation, Solid Waste and Recycling, and Street departments, and (ii) to pay professional services rendered in relation to such projects and the financing thereof, under and in strict conformity with the Constitution and laws of the State of Texas and pursuant to an Ordinance adopted by the City Council of the City (herein referred to as the "Ordinance").

The Notes are payable from the proceeds of an ad valorem tax levied, within the limitations prescribed by law, upon all taxable property in the City. Reference is hereby made to the Ordinance, a copy of which is on file in the Designated Payment/Transfer Office of the Paying Agent/Registrar, and to all of the provisions of which the owner or holder of this Note by the acceptance hereof hereby assents, for definitions of terms; the description of and the nature and extent of the tax levied for the payment of the Notes; the terms and conditions relating to the transfer or exchange of this Note; the conditions upon which the Ordinance may be amended or supplemented with or without the consent of the Holders; the rights, duties, and obligations of the City and the Paying Agent/Registrar; the terms and provisions upon which this Note may be redeemed or discharged at or prior to its maturity, and deemed to be no longer Outstanding thereunder; and for other terms and provisions contained therein. Capitalized terms used herein have the meanings assigned in the Ordinance.

This Note, subject to certain limitations contained in the Ordinance, 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 registered owner hereof, or his duly authorized agent. When a transfer on the Security Register occurs, one or more new fully registered Notes 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 City and the Paying Agent/Registrar, and any agent of either, may treat the registered owner hereof 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 Note as the owner entitled to payment of principal hereof at its Stated Maturity, and (iii) on any other date as the owner for all other purposes, and neither the City nor the Paying Agent/Registrar, or any agent of either, shall be affected by notice to the contrary. 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 forthe payment of such interest have been received. 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, recited, represented and declared that the City is a body corporate and political subdivision duly organized and legally existing under and by virtue of the Constitution and laws of the State of Texas; that the issuance of the Notes is duly authorized by law; that all acts, conditions and things required to exist and be done precedent to and in the issuance of the Notes to render the same lawful and valid obligations of the City have been properly done, have happened and have been performed in regular and due time, form and manner as required by the Constitution and laws of the State of Texas, and the Ordinance; that the Notes do not exceed any Constitutional or statutory limitation; and that due provision has been made for the payment of the principal of and interest on the Notes by the levy of a tax as aforestated. In case any provision in this Note 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. The terms and provisions of this Note and the Ordinance shall be construed in accordance with and shall be governed by the laws of the State of Texas.

IN WITNESS WHEREOF, the City Council of the City has caused this Note to be duly executed under the official seal of the City as of the Note Date.

CITY OF SHERMAN, TEXAS

_____

Mayor

COUNTERSIGNED:

_____

City Clerk

(SEAL)

(b) Form of Registration Certificate of Comptroller of Public Accounts to appear on Initial Note 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 Note 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)

(c) Form of Certificate of Paying Agent/Registrar to appear on Definitive Notes only.

REGISTRATION CERTIFICATE OF PAYING AGENT/REGISTRAR

This Note has been duly issued and registered under the provisions of the within-mentioned Ordinance; the note or notes 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 designated office of the Paying Agent/Registrar in East Syracuse, New York, is the Designated Payment/Transfer Office for this Note.

THE BANK OF NEW YORK MELLON TRUST
COMPANY, N.A., 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 Note and all rights thereunder, and hereby irrevocably constitutes and appoints _____

_____

attorney to transfer the within Note 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 Note in every particular.

(e) The Initial Note shall be in the form set forth in paragraph (a) of this Exhibit, except that the heading and first paragraph of the form of a single fully registered Initial Note shall be modified as follows:

REGISTERED
NO. T-1

REGISTERED
$_____

UNITED STATES OF AMERICA
STATE OF TEXAS
CITY OF SHERMAN, TEXAS
LIMITED TAX NOTES, SERIES 2021

Note Date: May 18, 2021

REGISTERED OWNER: _____

PRINCIPAL AMOUNT: _____ DOLLARS

The City of Sherman, Texas (hereinafter referred to as the "City"), a body corporate and municipal corporation in the County of Grayson, State of Texas, for value received, acknowledges itself indebted to and hereby promises to pay to the Registered Owner named above, or the registered assigns thereof, the Principal Amount hereinabove stated on August 15 in each of the years and in principal installments in accordance with the following schedule:

Year of Stated Maturity	Principal Amounts ($)	Interest Rate(s) (%)

(Information to be inserted from schedule in Section 2 hereof).

(without right of prior redemption) and to pay interest on the unpaid principal amounts hereof from the date of its delivery to the initial purchasers (May 18, 2021) at the per annum rate(s) of interest specified above computed on the basis of a 360-day year of twelve 30-day months; such interest being payable on February 15 and August 15 of each year, commencing August 15, 2021, until maturity. Principal installments of this Note are payable at its Stated Maturity to the registered owner hereof by The Bank of New York Mellon Trust Company, N.A., Dallas, Texas (the "Paying Agent/Registrar"), upon presentation and surrender, at its designated offices, initially in East Syracuse, New York, or, with respect to a successor Paying Agent/Registrar, at the designated offices of such successor (the "Designated Payment/Transfer Office"). Interest is payable to the registered owner of this Note 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 last business day of the month next preceding each interest payment date hereof 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 registered owner. If the date for the payment of the principal of or interest on the Notes shall be a Saturday, Sunday, a legal holiday, or a day when 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 when 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. All payments of principal of, premium, if any, and interest on this Note shall be without exchange or collection charges to the owner hereof and 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.

[The remainder of this page intentionally left blank.]

EXHIBIT A

PAYING AGENT REGISTRAR/AGREEMENT

PAYING AGENT/REGISTRAR AGREEMENT

THIS AGREEMENT is entered into as of April ___. 2021 (this "Agreement"), by and between The Bank of New York Mellon Trust Company, N.A., a banking association duly organized and existing under the laws of the United States of America (the "Bank") and the City of Sherman, Texas (the "Issuer"),

RECITALS

WHEREAS, the Issuer has duly authorized and provided for the issuance of its "City of Sherman, Texas, Limited Tax Notes, Series 2021" (the "Securities"), dated May 18, 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.

"Financial Advisor" means Specialized Public Finance Inc.

"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:

First	Express Delivery/Courier	By Hand Only
The Bank of New York Mellon Trust Company, N.A. Global Corporate Trust P.O. Box 396 East Syracuse, NY 13057	The Bank of New York Mellon Trust Company, N.A. Global Corporate Trust 111 Sanders Creek Pkwy. East Syracuse, NY 13057	The Bank of New York Mellon Trust Company, N.A. Global Corporate Trust Corporate Trust Window 101 Barclay Street, 1st Floor East New York, NY 10286

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, the 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 willful misconduct 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.

In the event the Bank becomes involved in litigation in connection with this Section, the Issuer, 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 as a result. 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.

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.

[Remainder of page left blank intentionally.]

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

THE BANK OF NEW YORK MELLON
TRUST COMPANY, N.A.

By:_____

Title:_____

Address: 2001 Bryan Street, 10th Floor
Dallas, Texas 75201

CITY OF SHERMAN, TEXAS

By: _____
Mayor

Address: 220 Mulberry Street
Sherman, Texas 75090

Attest:

_____
City Clerk

ANNEX A

SHERMAN CITY COUNCIL
Agenda Communication Form

City Council Regular Meeting **D. 2.**

Meeting Date: 04/19/2021

Prepared By: Mary Lawrence, Director of Finance

Approved By: Robby Hefton, City Manager

Caption:

INTRODUCTION AND PUBLIC HEARING OF ORDINANCE NO. 6376

Authorizing the Issuance of "CITY OF SHERMAN, TEXAS, COMBINATION TAX AND REVENUE CERTIFICATES OF OBLIGATION, SERIES 2021"; Specifying the Terms and Features of Said Certificates; Providing for the Payment of Said Certificates of Obligation by the Levy of an Ad Valorem Tax Upon All Taxable Property within the City and a Limited Pledge of the Net Revenues from the Operation of the City's Waterworks and Sewer System; Resolving Other Matters Incident and Relating to the Issuance, Payment, Security, Sale and Delivery of Said Certificates, Including the Approval and Execution of a Paying Agent/Registrar Agreement and the Approval and Distribution of an Official Statement; and Providing an Effective Date

Issue:

To consider all matters incident and related to the issuance and sale of City of Sherman, Texas, Combination Tax and Revenue Certificates of Obligation, Series 2021 including the adoption of an ordinance authorizing the issuance of such certificates of obligation

Background:

The Council approved the Notice of Intention to Issue Certificates of Obligation at the March 1, 2021 Council Meeting. This Ordinance authorizes the City to actually issue the Certificates, which will be repaid over thirty years. The $30 million in proceeds from the issuance are expected to be received in the middle of May 2021. The source of repayment will be property taxes, although the Certificates call for a pledge of both taxes and water and sewer revenues as security.

The proceeds will be used to finance the construction of the new police department headquarters on W. Travis Street, and various street projects primarily those serving new planned developments and other residential and commercial developments occurring around the City.

Origination:

City Manager's Office

Financial Consideration:

The cost of issuance will be about $150,000.00, which will be netted against the proceeds.

Staff Recommendation:

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

Alternatives:

No alternatives can be recommended by staff at this time.

Attachments

Ordinance No. 6376

Exhibit A

ORDINANCE NO. 6376

AN ORDINANCE AUTHORIZING THE ISSUANCE OF "CITY OF SHERMAN, TEXAS, COMBINATION TAX AND REVENUE CERTIFICATES OF OBLIGATION, SERIES 2021"; SPECIFYING THE TERMS AND FEATURES OF SAID CERTIFICATES; PROVIDING FOR THE PAYMENT OF SAID CERTIFICATES OF OBLIGATION BY THE LEVY OF AN AD VALOREM TAX UPON ALL TAXABLE PROPERTY WITHIN THE CITY AND A LIMITED PLEDGE OF THE NET REVENUES FROM THE OPERATION OF THE CITY'S WATERWORKS AND SEWER SYSTEM; RESOLVING OTHER MATTERS INCIDENT AND RELATING TO THE ISSUANCE, PAYMENT, SECURITY, SALE AND DELIVERY OF SAID CERTIFICATES, INCLUDING THE APPROVAL AND EXECUTION OF A PAYING AGENT/REGISTRAR AGREEMENT AND THE APPROVAL AND DISTRIBUTION OF AN OFFICIAL STATEMENT; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, notice of the City Council's intention to issue certificates of obligation in the maximum principal amount not to exceed $30,000,000 for the purpose of paying contractual obligations to be incurred for (i) the construction of public works, to wit: (a) acquiring, constructing, designing, improving, expanding, renovating, and equipping a new Police Department Headquarters, (b) designing, constructing, renovating, improving, reconstructing, restructuring and extending streets, roads, thoroughfares, alleys, sidewalks, bridges, and intersections, including drainage, utility line relocations, entryways, landscaping, lighting, curbs, gutters, traffic signalization, and the acquisition of land and rights-of-way therefor, and (c) acquiring, constructing, improving and equipping parks and park facilities, and the acquisition of land and rights-of-way therefor, and (ii) professional services rendered in relation to such projects and the financing thereof, has been duly published in the *Herald Democrat*, a newspaper hereby found and determined to be of general circulation in the City of Sherman, Texas, on March 3, 2021, and March 10, 2021, the date of the first publication of such notice being not less than forty-six (46) days prior to the tentative date stated therein for the passage of the ordinance authorizing the issuance of such certificates and (ii) continuously on the City's website for at least forty-five (45) days prior to the tentative date stated therein for the passage of the ordinance authorizing the issuance of such certificates; and

WHEREAS, no petition protesting the issuance of the certificates of obligation and bearing valid petition signatures of at least 5% of the qualified electors of the City, has been presented to or filed with the Mayor, City Clerk or any other official of the City on or prior to the date of the passage of this Ordinance; and

WHEREAS, during the preceding three years, the City has not submitted a bond proposition to authorize the issuance of bonds for the same purposes for which the Certificates are hereby being issued and which proposition was disapproved by voters; and

WHEREAS, the Council hereby finds and determines the certificates of obligation described in the aforesaid notice should be issued and sold at this time in the amount and manner as hereinafter provided; now, therefore,

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

SECTION 1: Authorization - Designation - Principal Amount - Purpose. Certificates of obligation of the City shall be and are hereby authorized to be issued in the aggregate principal amount of $_____, to be designated and bear the title "CITY OF SHERMAN, TEXAS, COMBINATION TAX AND REVENUE CERTIFICATES OF OBLIGATION, SERIES 2021" (hereinafter referred to as the "Certificates"), for the purpose of paying contractual obligations to be incurred for (i) the construction of public works, to wit: (a) acquiring, constructing, designing, improving, expanding, renovating, and equipping a new Police Department Headquarters, (b) designing, constructing, renovating, improving, reconstructing, restructuring and extending streets, roads, thoroughfares, alleys, sidewalks, bridges, and intersections, including drainage, utility line relocations, entryways, landscaping, lighting, curbs, gutters, traffic signalization, and the acquisition of land and rights-of-way therefor, and (c) acquiring, constructing, improving and equipping parks and park facilities, and the acquisition of land and rights-of-way therefor, and (ii) professional services rendered in relation to such projects and the financing thereof, pursuant to authority conferred by and in conformity with the Constitution and laws of the State of Texas, including Texas Local Government Code, Subchapter C of Chapter 271, as amended.

SECTION 2: Fully Registered Obligations - Authorized Denominations - Stated Maturities - Date. The Certificates are issuable in fully registered form only; shall be dated May 18, 2021 (the "Certificate Date") and shall be in denominations of $5,000 or any integral multiple thereof (within a Stated Maturity) and the Certificates shall become due and payable on August 15 in each of the years and in principal amounts (the "Stated Maturities") and bear interest at the per annum rate(s) in accordance with the following schedule:

Year of Stated Maturity	Principal Amount ($)	Interest Rate (%)
2022	285,000	
2023	550,000	
2024	580,000	
2025	610,000	
2026	640,000	
2027	670,000	
2028	705,000	
2029	740,000	
2030	775,000	
2031	815,000	
2032	850,000	
2033	885,000	
2034	920,000	
2035	955,000	
2036	995,000	
2037	1,025,000	
2038	1,055,000	
2039	1,085,000	

2040	1,120,000
2041	1,150,000
2042	1,185,000
2043	1,220,000
2044	1,260,000
2045	1,295,000
2046	1,335,000
2047	1,375,000
2048	1,415,000
2049	1,460,000
2050	1,500,000
2051	1,545,000

The Certificates shall bear interest on the unpaid principal amounts from the date of their delivery to the initial purchasers, anticipated to be May 18, 2021 (the "Delivery Date") at the rates per annum shown above in this Section (calculated on the basis of a 360-day year of twelve 30-day months); and such interest shall be payable on February 15 and August 15 of each year, commencing February 15, 2022, until maturity or prior redemption.

SECTION 3: Terms of Payment - Paying Agent/Registrar. The principal of, premium, if any, and the interest on the Certificates, due and payable by reason of maturity, redemption or otherwise, shall be payable only to the registered owners or holders of the Certificates (hereinafter called the "Holders") appearing on the registration and transfer books 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 Bank of New York Mellon Trust Company, N.A., Dallas, Texas, to serve as Paying Agent/Registrar for the Certificates is hereby approved and confirmed. Books and records relating to the registration, payment, transfer and exchange of the Certificates (the "Security Register") shall at all times be kept and maintained on behalf of the City by the Paying Agent/Registrar, as provided herein and 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 City may prescribe. The Mayor or Mayor Pro Tem and City Clerk are authorized to execute and deliver such Agreement in connection with the delivery of the Certificates. The City covenants to maintain and provide a Paying Agent/Registrar at all times until the Certificates are paid and discharged, and any successor Paying Agent/Registrar shall be a commercial bank or trust company organized under the laws of the State of Texas, financial institution or other entity duly qualified and legally 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 Certificates, the City 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 Certificates shall be payable at the Stated Maturities or upon prior redemption thereof only upon presentation and surrender of the Certificates to the Paying Agent/Registrar at its designated offices initially in East Syracuse, New York, or with respect to a successor Paying Agent/Registrar, at the designated offices of such successor (the "Designated Payment/Transfer Office"). Interest on the Certificates shall be paid to the Holders whose names appear in the Security Register at the close of business on the Record Date (the last business 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 Certificates shall be a Saturday, Sunday, a legal holiday, or a day when 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 when 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 City. Notice of the Special Record Date and of the scheduled payment date of the past due interest (which shall be 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 4: Redemption.

(a) Optional Redemption. The Certificates having Stated Maturities on and after August 15, 2031, shall be subject to redemption prior to maturity, at the option of the City, in whole or in part in principal amounts of $5,000 or any integral multiple thereof (and if within a Stated Maturity by lot by the Paying Agent/Registrar), on August 15, 2030, or on any date thereafter at the redemption price of par plus accrued interest to the date of redemption.

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

(b) Selection of Certificates for Redemption. If less than all Outstanding Certificates of the same Stated Maturity are to be redeemed on a redemption date, the Paying Agent/Registrar shall treat such Certificates as representing the number of Certificates Outstanding which is obtained by dividing the principal amount of such Certificates by $5,000 and shall select the

Certificates to be redeemed within such Stated Maturity by lot or by any other customary method that results in a random selection.

(c) [Mandatory Redemption. The Certificates maturing on August 15, 2041, and August 15, 2044 (the "Term Certificates") shall be subject to mandatory redemption in part prior to maturity at the redemption price of par and accrued interest to the date of redemption on the respective dates and in the principal amounts as follows:

Term Certificates due August 15, 20__	
Redemption Date	Principal Amount
August 15, 20__	$
August 15, 20__	$ (maturity)

Term Certificates due August 15, 20__	
Redemption Date	Principal Amount
August 15, 20__	$
August 15, 20__	$
August 15, 20__	$ (maturity)

Approximately forty-five (45) days prior to each mandatory redemption date for the Term Certificates, the Paying Agent/Registrar shall select by lot, or by any other customary method that results in a random selection, the numbers of the Term Certificates within the applicable Stated Maturity to be redeemed on the next following August 15 from moneys set aside for that purpose in the Certificate Fund (as hereinafter defined). Any Term Certificates not selected for prior redemption shall be paid on the date of their Stated Maturity.

The principal amount of the Term Certificates for a given Stated Maturity required to be redeemed on a mandatory redemption date may be reduced, at the option of the City, by the principal amount of Term Certificates of like Stated Maturity which, at least fifty (50) days prior to the mandatory redemption date, (1) shall have been acquired by the City at a price not exceeding the principal amount of such Term Certificates plus accrued interest to the date of purchase thereof, and delivered to the Paying Agent/Registrar for cancellation, or (2) shall have been redeemed pursuant to the optional redemption provisions set forth in subparagraph (a) of this Section and not theretofore credited against a mandatory redemption requirement.]

(d) Notice of Redemption. Not less than thirty (30) days prior to a redemption date for the Certificates, a notice of redemption shall be sent by United States Mail, first class postage prepaid, in the name of the City and at the City's expense, to each Holder of a Certificate 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 Certificates, (ii) identify the Certificates 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 Certificates, 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, provided moneys sufficient for the payment of such Certificate (or 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, and (v) specify that payment of the redemption

price for the Certificates, 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 of the Certificates. If a Certificate is subject by its terms to prior redemption and has been called for redemption and notice of redemption has been duly given as hereinabove provided, such Certificate (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 Certificate (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) Conditional Notice of Redemption. With respect to any optional redemption of the Certificates, unless certain prerequisites to such redemption required by this Ordinance have been met and moneys sufficient to pay the principal of and premium, if any, and interest on the Certificates 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 City shall not redeem such Certificates and the Paying Agent/Registrar shall give notice, in the manner in which the notice of redemption was given, to the effect that the Certificates have not been redeemed.

SECTION 5: Registration - Transfer - Exchange of Certificates - Predecessor Certificates. The Paying Agent/Registrar shall obtain, record and maintain in the Security Register the name and address of each and every owner of the Certificates issued under and pursuant to the provisions of this Ordinance, or if appropriate, the nominee thereof. Any Certificate may be transferred or exchanged for Certificates of other authorized denominations by the Holder, in person or by his duly authorized agent, upon surrender of such Certificate 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 Certificate (other than the Initial Certificate(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 Certificates of authorized denominations and having the same Stated Maturity and of a like aggregate principal amount as the Certificate or Certificates surrendered for transfer.

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

All Certificates issued in any transfer or exchange of Certificates 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 City, evidencing the same obligation to pay, and entitled to the same benefits under this Ordinance, as the Certificates surrendered in such transfer or exchange.

All transfers or exchanges of Certificates 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.

Certificates cancelled by reason of an exchange or transfer pursuant to the provisions hereof are hereby defined to be "Predecessor Certificates," evidencing all or a portion, as the case may be, of the same obligation to pay evidenced by the new Certificate or Certificates registered and delivered in the exchange or transfer. Additionally, the term "Predecessor Certificates" shall include any mutilated, lost, destroyed, or stolen Certificate for which a replacement Certificate has been issued, registered and delivered in lieu thereof pursuant to the provisions of Section 21 hereof and such new replacement Certificate shall be deemed to evidence the same obligation as the mutilated, lost, destroyed, or stolen Certificate.

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

SECTION 6: Book-Entry-Only Transfers and Transactions. Notwithstanding the provisions contained in Sections 3, 4, and 5 of this Ordinance relating to the payment, transfer, and exchange of the Certificates, the City hereby approves and authorizes the use of "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 the Blanket Issuer Letter of Representations by and between the City and DTC (the "Depository Agreement").

Pursuant to the Depository Agreement and the rules of DTC, the Certificates shall be deposited with DTC who shall hold said Certificates for its participants (the "DTC Participants"). While the Certificates are held by DTC under the Depository Agreement, the Holder of the Certificates 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 Certificate (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 Certificates or otherwise ceases to provide book-entry clearance and settlement of securities transactions in general or the City determines that DTC is incapable of properly discharging its

duties as securities depository for the Certificates, the City covenants and agrees with the Holders of the Certificates to cause Certificates to be printed in definitive form and issued and delivered to DTC Participants and Beneficial Owners, as the case may be. Thereafter, the Certificates in definitive form shall be assigned, transferred and exchanged on the Security Register maintained by the Paying Agent/Registrar and payment of such Certificates shall be made in accordance with the provisions of Sections 3, 4 and 5 of this Ordinance.

SECTION 7: Execution - Registration. The Certificates shall be executed on behalf of the City by the Mayor or Mayor Pro Tem under its seal reproduced or impressed thereon and countersigned by the City Clerk. The signature of said officers on the Certificates may be manual or facsimile. Certificates bearing the manual or facsimile signatures of individuals who are or were the proper officers of the City on the date of the adoption of this Ordinance shall be deemed to be duly executed on behalf of the City, notwithstanding that one or more of the individuals executing the same shall cease to be such officer at the time of delivery of the Certificates to the initial purchaser(s) and with respect to Certificates delivered in subsequent exchanges and transfers, all as authorized and provided in Texas Government Code, Chapter 1201, as amended.

No Certificate shall be entitled to any right or benefit under this Ordinance, or be valid or obligatory for any purpose, unless there appears on such Certificate either a certificate of registration substantially in the form provided in **Exhibit B**, 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 **Exhibit B**, manually executed by an authorized officer, employee or representative of the Paying Agent/Registrar, and either such certificate duly signed upon any Certificate shall be conclusive evidence, and the only evidence, that such Certificate has been duly certified, registered and delivered.

SECTION 8: Initial Certificate(s). The Certificates herein authorized shall be initially issued either (i) as a single fully-registered certificate in the total principal amount stated in Section 1 above with principal installments to become due and payable as provided in Section 2 and numbered T-1, or (ii) as multiple fully registered certificates, being one certificate for each year of maturity in the applicable principal amount and denomination and to be numbered consecutively from T-1 and upward (the "Initial Certificate(s)") and, in either case, the Initial Certificate(s) shall be registered in the name of the initial purchasers or the designee thereof. The Initial Certificate(s) shall be 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 purchasers, or the designee thereof. Any time after the delivery of the Initial Certificate(s) and pursuant to written instructions from the initial purchasers, or the designee thereof, the Paying Agent/Registrar shall cancel the Initial Certificate(s) and exchange it for the definitive Certificates of authorized denominations, Stated Maturities, principal amounts and bearing applicable interest rates for transfer and delivery to the Holders named at the addresses identified for such purpose; all pursuant to and in accordance with such written instructions from the initial purchasers, 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 Certificates, the Registration Certificate of the Comptroller of Public Accounts of the State of Texas, the Registration Certificate of Paying Agent/Registrar, and the form of Assignment to be printed on each of the Certificates, shall be substantially in the forms set forth in **Exhibit B** attached hereto with such appropriate insertions, omissions, substitutions and other variations as are permitted or required by this Ordinance and 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 Certificates, or any maturities thereof, are purchased with insurance and any reproduction of an opinion of counsel) thereon as may, consistently herewith, be established by the City or determined by the officers executing such Certificates as evidenced by their execution. Any portion of the text of any Certificates may be set forth on the reverse thereof, with an appropriate reference thereto on the face of the certificate.

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

SECTION 10: Definitions. For purposes of this Ordinance and for clarity with respect to the issuance of the Certificates herein authorized, and the levy of taxes and appropriation of Net Revenues therefor, the following words or terms, whenever the same appears herein without qualifying language, are defined to mean as follows:

(a) The term "Additional Obligations" shall mean combination tax and revenue obligations hereafter issued which by their terms are payable from ad valorem taxes and additionally payable from and secured by a parity lien on and pledge of the Net Revenues of the System of equal rank and dignity with the lien and pledge securing the payment of the Previously Issued Certificates and the Certificates.

(b) The term "Certificate Fund" shall mean the special Fund created and established under the provisions of Section 11 of this Ordinance.

(c) The term "Certificates" shall mean the "City of Sherman, Texas, Combination Tax and Revenue Certificates of Obligation, Series 2021" authorized by this Ordinance.

(d) The term "Collection Date" shall mean, when reference is being made to the levy and collection of annual ad valorem taxes, the date the annual ad valorem taxes levied each year by the City become delinquent.

(e) The term "Fiscal Year" shall mean the twelve month financial accounting period used by the City in connection with the operation of the System which may be any twelve consecutive month period established by the City.

(f) The term "Government Securities" shall mean (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 City, 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 City, are rated as to investment quality by a nationally recognized investment rating firm not less than AAA or its equivalent, and (iv) any other then authorized securities or obligations under applicable State law that may be used to defease obligations such as the Certificates.

(g) The term "Gross Revenues" shall mean all income, receipts and revenues of every nature derived or received from the operation and ownership (excluding refundable meter deposits, restricted gifts and grants in aid of construction) of the System, including earnings and income derived from the investment or deposit of moneys in any special funds or accounts created and established for the payment and security of the Prior Lien Obligations and other obligations payable solely from and secured only by a lien on and pledge of the Net Revenues.

(h) The term "Net Revenues" shall mean Gross Revenues of the System, with respect to any period, after deducting the System's Operating and Maintenance Expenses during such period.

(i) The term "Operating and Maintenance Expenses" shall mean all current expenses of operating and maintaining the System, including all salaries, labor, materials, repairs and extensions necessary to render efficient service; provided, however, that only such repairs and extensions, as in the judgment of the City Council, reasonably and fairly exercised, are necessary to maintain the operations and render adequate service to the City and the inhabitants thereof, or such as might be necessary to meet some physical accident or condition which would otherwise impair obligations payable from Net Revenues shall be deducted in determining "Net Revenues". Depreciation charges shall not be considered Operating and Maintenance Expenses. Operating and Maintenance Expenses shall include payments under contracts for the purchase of water supply, treatment of sewage or other materials, goods, services, or facilities for the System to the extent authorized by law and the provisions of such contract.

(j) The term "Outstanding" when used in this Ordinance with respect to Certificates means, as of the date of determination, all Certificates theretofore issued and delivered under this Ordinance, except:

(1) those Certificates cancelled by the Paying Agent/Registrar or delivered to the Paying Agent/Registrar for cancellation;

(2) those Certificates for which payment has been duly provided by the City in accordance with the provisions of Section 22 hereof; and

(3) those Certificates that have been mutilated, destroyed, lost, or stolen and replacement Certificates have been registered and delivered in lieu thereof as provided in Section 21 hereof.

(k) The term "Previously Issued Certificates" shall mean the outstanding (1) "City of Sherman, Texas, Tax and Waterworks and Sewer System (Limited Pledge) Revenue Certificates of Obligation, Series 2016", dated July 15, 2016, originally issued in the principal amount of $6,970,000, (2) "City of Sherman, Texas, Combination Tax and Revenue Certificates of Obligation, Series 2017", dated March 30, 2017, originally issued in the principal amount of $18,110,000, (3) "City of Sherman, Texas, Combination Tax and Revenue Certificates of Obligation, Series 2018", dated September 6, 2018, originally issued in the principal amount of $18,980,000, and (4) "City of Sherman, Texas, Combination Tax and Revenue Certificates of Obligation, Series 2019", dated May 14, 2019, originally issued in the principal amount of $19,130,000.

(l) The term "Prior Lien Obligations" shall mean all revenue bonds or other obligations hereafter issued, payable from and secured, in whole or in part, by a lien on and pledge of all or a portion of the Net Revenues of the System prior to the right and claim on the Net Revenues of the System securing the payment of the Previously Issued Certificates and the Certificates.

(m) The term "System" shall mean all properties, facilities and plants currently owned, operated and maintained by the City for the supply, treatment, transmission and distribution of treated potable water and the collection, treatment and disposal of water carried wastes, together with all future improvements, extensions, enlargements and additions thereto and replacements thereof.

SECTION 11: **Certificate Fund**. For the purpose of paying the interest on and to provide a sinking fund for the payment, redemption and retirement of the Certificates, there shall be and is hereby created a special account or fund on the books and records of the City known as the "SPECIAL SERIES 2021 TAX AND REVENUE CERTIFICATE OF OBLIGATION FUND", and all moneys deposited to the credit of such Fund shall be kept and maintained in a special banking account a depository bank of the City. The Mayor, Mayor Pro Tem, City Manager, Assistant City Manager, Director of Finance and City Clerk of the City, individually or collectively, are hereby authorized and directed to make withdrawals from said Fund sufficient to pay the principal of and interest on the Certificates as the same become due and payable, and, shall cause to be transferred to the Paying Agent/Registrar from moneys on deposit in the Certificate Fund an amount sufficient to pay the amount of principal and/or interest falling due on the Certificates, such transfer of funds to the Paying Agent/Registrar to be made in such manner as will cause immediately available funds to be deposited with the Paying Agent/Registrar on or before the last business day next preceding each interest and principal payment date for the Certificates.

Pending the transfer of funds to the Paying Agent/Registrar, money in the Certificate Fund may, at the option of the City, be invested in obligations identified in, and in accordance with the provisions of the "Public Funds Investment Act" (Texas Government Code, Chapter 2256, as amended) relating to the investment of "bond proceeds"; provided that all such investments shall be made in such a manner that the money required to be expended from said Fund will be available at the proper time or times. All interest and income derived from deposits and investments in said Certificate Fund shall be credited to, and any losses debited to, the said

Certificate Fund. All such investments shall be sold promptly when necessary to prevent any default in connection with the Certificates.

SECTION 12: Tax Levy. To provide for the payment of the "Debt Service Requirements" on the Certificates being (i) the interest on said Certificates and (ii) a sinking fund for their redemption at maturity or a sinking fund of 2% (whichever amount shall be the greater), there shall be and there is hereby levied a sufficient tax, within the limitations prescribed by law, on each one hundred dollars' valuation of taxable property in said City, adequate to pay such Debt Service Requirements while the Certificates remain Outstanding, full allowance being made for delinquencies and costs of collection; and said tax shall be assessed and collected each year and applied to the payment of the Debt Service Requirements, and the same shall not be diverted to any other purpose. The taxes so levied and collected shall be paid into the Certificate Fund. The City Council hereby declares its purpose and intent to provide and levy a tax legally and fully sufficient to pay the said Debt Service Requirements, it having been determined that the existing and available taxing authority of the City for such purpose is adequate to permit a legally sufficient tax in consideration of all other outstanding indebtedness.

The amount of taxes to be provided annually for the payment of the principal of and interest on the Certificates shall be determined and accomplished in the following manner:

(a) Prior to the date the City Council establishes the annual tax rate and passes an ordinance levying ad valorem taxes each year, the Council shall determine:

(1) The amount on deposit in the Certificate Fund after (a) deducting therefrom the total amount of Debt Service Requirements to become due on Certificates prior to the Collection Date for the ad valorem taxes to be levied and (b) adding thereto the amount of the Net Revenues of the System, together with any other lawfully available revenues of the City, appropriated and allocated to pay such Debt Service Requirements prior to the Collection Date for the ad valorem taxes to be levied.

(2) The amount of Net Revenues of the System, together with any other lawfully available revenues of the City, appropriated and to be set aside for the payment of the Debt Service Requirements on the Certificates between the Collection Date for the taxes then to be levied and the Collection Date for the taxes to be levied during the next succeeding calendar year.

(3) The amount of Debt Service Requirements to become due and payable on the Certificates between the Collection Date for the taxes then to be levied and the Collection Date for the taxes to be levied during the next succeeding calendar year.

(b) The amount of taxes to be levied annually each year to pay the Debt Service Requirements on the Certificates shall be the amount established in paragraph (3) above less the sum total of the amounts established in paragraphs (1) and (2), after taking into consideration delinquencies and costs of collecting such annual taxes.

SECTION 13: Limited Pledge of Net Revenues. The City hereby covenants and agrees that, subject to the prior lien on and pledge of the Net Revenues of the System to the payment and security of Prior Lien Obligations, the Net Revenues of the System in the amount of $1,000 are hereby irrevocably pledged, equally and ratably, to the payment of the principal of and interest on the Previously Issued Certificates, the Certificates and Additional Obligations, if issued, and the limited pledge of $1,000 of the Net Revenues of the System herein made for the payment of the Certificates shall constitute a lien on the Net Revenues of the System until such time as the City shall pay all of such $1,000, after which time the pledge shall cease, and shall be on a parity in all respects with the lien on the Net Revenues securing the payment of the Previously Issued Certificates, all in accordance with the terms and provisions hereof. Furthermore, such lien on and pledge of the Net Revenues securing the payment of the Certificates shall be valid and binding and fully perfected from and after the date of adoption of this Ordinance without physical delivery or transfer or transfer of control of the Net Revenues, the filing of this Ordinance or any other act; all as provided in Chapter 1208 of the Texas Government Code ("Chapter 1208").

Chapter 1208 applies to the issuance of the Certificates and the pledge of the Net Revenues of the System granted by the City under this Section 13, and such pledge is therefore valid, effective and perfected. If Texas law is amended at any time while the Certificates are Outstanding such that the pledge of the Net Revenues of the System granted by the City under this Section 13 is to be subject to the filing requirements of Chapter 9, Business & Commerce Code, as amended, then in order to preserve to the registered owners of the Certificates the perfection of the security interest in said pledge, the City agrees to take such measures as it determines are reasonable and necessary under Texas law to comply with the applicable provisions of Chapter 9, Business & Commerce Code, as amended, and enable a filing to perfect the security interest in said pledge to occur.

SECTION 14: System Fund. The City covenants and agrees that all Gross Revenues (excluding earnings from the investment of money held in any special funds or accounts created for the payment and security of the Prior Lien Obligations) shall be deposited as collected into a fund maintained at an official depository of the City and known on the books of the City as the "Water and Sewer System Fund" (hereinafter called the "System Fund"). All moneys deposited to the credit of the System Fund shall be allocated, dedicated and disbursed to the extent required for the following purposes and in the order of priority shown, to wit:

First: To the payment of reasonable and proper Operating and Maintenance Expenses of the System as defined herein or required by statute to be a first charge on and claim against the Gross Revenues of the System.

Second: To the payment of all amounts required to be deposited in the special Funds created and established for the payment, security and benefit of Prior Lien Obligations in accordance with the terms and provisions of the ordinances authorizing the issuance of Prior Lien Obligations.

Third: To the payment of the limited amount pledged to the payment of the Previously Issued Certificates and the Certificates.

Any Net Revenues remaining in the System Fund after satisfying the foregoing payments, or making adequate and sufficient provision for the payment thereof, may be appropriated and used for any other City purpose now or hereafter permitted by law.

SECTION 15: **Deposits to Certificate Fund**. Subject to the provisions of Section 13 hereof, the City hereby covenants and agrees that the amount of pledged Net Revenues of the System ($1,000), together with other lawfully available revenues appropriated by the City for payment of the Debt Service Requirements on the Certificates and ad valorem taxes levied, collected and deposited in the Certificate Fund for and on behalf of the Certificates, will be an amount equal to one hundred percent (100%) of the amount required to fully pay the interest and principal due and payable on the Certificates. In addition, any surplus proceeds from the sale of the Certificates not expended for authorized purposes shall be deposited in the Certificate Fund, or another fund created for the payment of the principal of and interest on any Certificates, and such amounts so deposited shall reduce the sums otherwise required to be deposited in said Fund from ad valorem taxes and the Net Revenues of the System.

SECTION 16: **Security of Funds**. All moneys on deposit in the Funds for which this Ordinance makes provision (except any portion 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 on deposit in such Funds shall be used only for the purposes permitted by this Ordinance.

SECTION 17: **Remedies in Event of Default**. In addition to all the rights and remedies provided by the laws of the State of Texas, the City covenants and agrees particularly that in the event the City (a) defaults in the payments to be made to the Certificate Fund, or (b) defaults in the observance or performance of any other of the covenants, conditions or obligations set forth in this Ordinance, the Holder of any of the Certificates shall be entitled to a writ of mandamus issued by a court of proper jurisdiction compelling and requiring the governing body of the City and other officers of the City to observe and perform any covenant, condition or obligation prescribed in this Ordinance.

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 and power may be exercised from time to time and as often as may be deemed expedient. The specific remedies herein provided shall be cumulative of all other existing remedies and the specification of such remedies shall not be deemed to be exclusive.

SECTION 18: **Special Covenants**. The City hereby further covenants as follows:

(a) It has the lawful power to pledge the Net Revenues of the System to the payment of the Certificates in the manner herein contemplated and has lawfully exercised such power under the Constitution and laws of the State of Texas, including said power existing under Texas Government Code, Chapter 1502, as amended, and Texas Local Government Code, Subchapter C of Chapter 271, as amended.

(b) Other than for the payment of the Previously Issued Certificates and the Certificates, the Net Revenues of the System have not in any manner been pledged to the payment of any debt or obligation of the City or of the System.

SECTION 19: Issuance of Prior Lien Obligations. The City hereby expressly reserves the right to hereafter issue Prior Lien Obligations, without limitation as to principal amount but subject to any terms, conditions or restrictions applicable thereto under law or otherwise, payable, in whole or in part, from the Net Revenues (without impairment of the obligation of contract with the Holders of the Certificates) upon such terms and conditions as the City Council may determine.

Additionally, the City reserves the right to issue Additional Obligations, without limitation or any restriction or condition being applicable to their issuance under the terms of this Ordinance, payable from and secured by a lien on and pledge of the Net Revenues of the System of equal rank and dignity, and on a parity in all respects, with the lien thereon and pledge thereof securing the payment of the Previously Issued Certificates and the Certificates.

SECTION 20: Application of Prior Lien Obligations Covenants and Agreements. It is the intention of this governing body and accordingly hereby recognized and stipulated that the provisions, agreements and covenants contained herein bearing upon the management and operations of the System, and the administering and application of revenues derived from the operation thereof, shall to the extent possible be harmonized with like provisions, agreements and covenants contained in the ordinances authorizing the issuance of the Prior Lien Obligations, and to the extent of any irreconcilable conflict between the provisions contained herein and in the ordinances authorizing the issuance of the Prior Lien Obligations, the provisions, agreements and covenants contained therein shall prevail to the extent of such conflict and be applicable to this Ordinance but in all respects subject to the priority of rights and benefits, if any, conferred thereby to the holders of the Prior Lien Obligations.

SECTION 21: Mutilated, Destroyed, Lost and Stolen Certificates. In case any Certificate shall be mutilated, or destroyed, lost or stolen, the Paying Agent/Registrar may execute and deliver a replacement Certificate of like form and tenor, and in the same denomination and bearing a number not contemporaneously outstanding, in exchange and substitution for such mutilated Certificate, or in lieu of and in substitution for such destroyed, lost or stolen Certificate, only upon the approval of the City 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 Certificate, 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 City and the Paying Agent/Registrar harmless. All expenses and charges associated with such indemnity and with the preparation, execution and delivery of a replacement Certificate shall be borne by the Holder of the Certificate mutilated, or destroyed, lost or stolen.

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

SECTION 22: **Satisfaction of Obligation of City**. If the City 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 Certificates, at the times and in the manner stipulated in this Ordinance, then the pledge of taxes levied under this Ordinance and the Net Revenues of the System and all covenants, agreements, and other obligations of the City to the Holders shall thereupon cease, terminate and be discharged and satisfied.

Certificates 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 Certificates or the principal amount(s) thereof at maturity or on a 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 Securities shall have been irrevocably deposited in trust with the Paying Agent/Registrar, or an authorized escrow agent, which Government Securities 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 Certificates, 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 Certificates, the City 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 Securities to pay, when due, the principal of, redemption premium (if any), and interest due on any defeased Certificates. The City covenants that no deposit of moneys or Government Securities will be made under this Section and no use made of any such deposit which would cause the Certificates 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 Securities 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 Certificates, or any principal amount(s) thereof, or interest thereon with respect to which such moneys have been so deposited shall be remitted to the City or deposited as directed by the City. Furthermore, any money held by the Paying Agent/Registrar for the payment of the principal of and interest on the Certificates and remaining unclaimed for a period of three (3) years after the Stated Maturity, or applicable redemption date, of the Certificates such moneys were deposited and are held in trust to pay shall upon the request of the City be remitted to the City against a written receipt therefor. Notwithstanding the above and foregoing, any remittance of funds from the Paying Agent/Registrar to the City shall be subject to any applicable unclaimed property laws of the State of Texas.

SECTION 23: **Ordinance a Contract - Amendments.** This Ordinance shall constitute a contract with the Holders from time to time, be binding on the City, and shall not be

amended or repealed by the City so long as any Certificate remains Outstanding except as permitted in this Section and in Section 39 hereof. The City may, without the consent of or notice to any Holders, from time to time and at any time, amend this Ordinance 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 City may, with the consent of Holders holding a majority in aggregate principal amount of the Certificates then Outstanding, amend, add to, or rescind any of the provisions of this Ordinance; provided that, without the consent of all Holders of Outstanding Certificates, 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 Certificates, reduce the principal amount thereof, the redemption price, 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 Certificates, (2) give any preference to any Certificate over any other Certificate, or (3) reduce the aggregate principal amount of Certificates required to be held by Holders for consent to any such amendment, addition or rescission.

SECTION 24: Covenants to Maintain Tax-Exempt Status.

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

"Closing Date" means the date on which the Certificates 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 Certificates.

"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 Certificates are invested and which is not acquired to carry out the governmental purposes of the Certificates.

"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 Certificates. 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 (1) any Investment has the meaning set forth in Section 1.148-5 of the Regulations and (2) the Certificates has the meaning set forth in Section 1.148-4 of the Regulations.

(b) Not to Cause Interest to Become Taxable. The City 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 Certificate 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 City 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 Certificate, the City 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 City shall at all times prior to the last Stated Maturity of Certificates:

(1) 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 Certificates, 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

(2) 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 Certificates or any property the acquisition, construction or improvement of which is to be financed or refinanced directly or indirectly with such Gross Proceeds, other than taxes of general application within the City 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 City shall not use Gross Proceeds of the Certificates 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 City shall not at any time prior to the final Stated Maturity of the Certificates 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 Certificates.

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

(g) Information Report. The City 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:

(1) the City 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 Certificate is discharged. However, to the extent permitted by law, the City may commingle Gross Proceeds of the Certificates with other money of the City, provided that the City separately accounts for each receipt and expenditure of Gross Proceeds and the obligations acquired therewith.

(2) Not less frequently than each Computation Date, the City 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 City shall maintain such calculations with its official transcript of proceedings relating to the issuance of the Certificates until six years after the final Computation Date.

(3) As additional consideration for the purchase of the Certificates by the Purchaser 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 City shall pay to the United States from the construction fund, other appropriate fund, or if permitted by applicable Texas statute, regulation or opinion of the Attorney General of the State of Texas, the Certificate Fund, the amount that when added to the future value of previous rebate payments made for the Certificates 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.

(4) The City 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 City shall not, at any time prior to the earlier of the Stated Maturity or final payment of the Certificates, 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 Certificates not been relevant to either party.

(j) Elections. The City hereby directs and authorizes the Mayor, Mayor Pro Tem, City Manager, Assistant City Manager, Director of Finance or City Clerk, 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 Certificates, in the Certificate as to Tax Exemption or similar or other appropriate certificate, form or document.

SECTION 25: Sale of Certificates. Pursuant to a public sale for the Certificates, the bid submitted by _____ (herein referred to as the "Purchaser") is declared to be the best bid received producing the lowest true interest cost rate to the City; such bid is hereby accepted and incorporated herein by reference as a part of this Ordinance for all purposes and the sale of the Certificates to said Purchaser at the price of $_____ representing _____% of the par value, is hereby approved and confirmed. Delivery of the Certificates to the Purchaser shall occur as soon as possible upon payment being made therefor in accordance with the terms of sale. The terms of sale are hereby declared to be in the best interest of the City.

SECTION 26: Official Statement. The use of the Preliminary Official Statement in the offering and sale of the Certificates is hereby ratified, confirmed and approved in all respects, and the City Council hereby finds that the information and data contained in said Preliminary Official Statement pertaining to the City and its financial affairs is true and correct in all material respects and no material facts have been omitted therefrom which are necessary to make the statements therein, in light of the circumstances under which they were made, not misleading. The final Official Statement, which reflects the terms of sale (together with such changes approved by the Mayor, Mayor Pro Tem, City Manager, Assistant City Manager, Director of Finance or City Clerk, one or more of said officials), shall be and is hereby in all respects approved and the Purchaser is hereby authorized to use and distribute said final Official Statement, dated April 19, 2021, in the offering, sale and delivery of the Certificates to the public.

SECTION 27: **Proceeds of Sale**. The proceeds of sale of the Certificates, excluding premium in the amount of $_____ and amounts to pay costs of issuance, shall be deposited in a construction fund maintained at an official depository of the City. Pending expenditure for authorized projects and purposes, such proceeds of sale may be invested in authorized investments in accordance with the provisions of Texas Government Code, Chapter 2256, as amended, including guaranteed investment contracts permitted by Texas Government Code, Section 2256.015 et seq., and the City's investment policies and guidelines, and any investment earnings realized may be expended for such authorized projects and purposes or deposited in the Certificate Fund as shall be determined by the City Council. Premium in the above amount as well as all surplus proceeds of sale of the Certificates, including investment earnings, remaining after completion of all authorized projects or purposes shall be deposited to the credit of the Certificate Fund.

SECTION 28: **Control and Custody of Certificates.** The Mayor of the City shall be and is hereby authorized to take and have charge of all necessary orders and records pending the sale of the Certificates, the investigation by the Attorney General of the State of Texas, including the printing and supply of definitive Certificates, and shall take and have charge and control of the Initial Certificate(s) pending the approval thereof by the Attorney General, the registration thereof by the Comptroller of Public Accounts and the delivery thereof to the Purchaser.

SECTION 29: **Notices to Holders - Waiver.** Wherever this Ordinance 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 appearing in the Security Register at the close of business on the business day next preceding the mailing of such notice.

In any case where 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 Certificates. Where this Ordinance 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 30: **Cancellation.** All Certificates surrendered for payment, redemption, transfer, exchange, or replacement, if surrendered to the Paying Agent/Registrar, shall be promptly cancelled by it and, if surrendered to the City, shall be delivered to the Paying Agent/Registrar and, if not already cancelled, shall be promptly cancelled by the Paying Agent/Registrar. The City may at any time deliver to the Paying Agent/Registrar for cancellation any Certificates previously certified or registered and delivered which the City may have acquired in any manner whatsoever, and all Certificates so delivered shall be promptly cancelled by the Paying Agent/Registrar. All cancelled Certificates held by the Paying Agent/Registrar shall be returned to the City.

SECTION 31: **Legal Opinion.** The Purchaser's obligation to accept delivery of the Certificates is subject to being furnished a final opinion of Norton Rose Fulbright US LLP, Dallas, Texas ("Bond Counsel") approving the Certificates as to their validity, said opinion to be dated and delivered as of the date of delivery and payment for the Certificates. An executed counterpart of said opinion shall accompany the global certificates deposited with DTC or a reproduction thereof shall be printed on the definitive Certificates in the event the book-entry-only system shall be discontinued. The engagement of Bond Counsel as bond counsel to the City is hereby approved, ratified and confirmed.

SECTION 32: **CUSIP Numbers.** CUSIP numbers may be printed or typed on the definitive Certificates. It is expressly provided, however, that the presence or absence of CUSIP numbers on the definitive Certificates shall be of no significance or effect as regards the legality thereof and neither the City nor attorneys approving the Certificates as to legality are to be held responsible for CUSIP numbers incorrectly printed or typed on the definitive Certificates.

SECTION 33: **Benefits of Ordinance.** Nothing in this Ordinance, expressed or implied, is intended or shall be construed to confer upon any person other than the City, the Paying Agent/Registrar and the Holders, any right, remedy, or claim, legal or equitable, under or by reason of this Ordinance or any provision hereof, and this Ordinance and all its provisions is intended to be and shall be for the sole and exclusive benefit of the City, the Paying Agent/Registrar and the Holders.

SECTION 34: **Inconsistent Provisions.** All ordinances, orders or resolutions, or parts thereof, which are in conflict or inconsistent with any provision of this Ordinance are hereby repealed to the extent of such conflict, and the provisions of this Ordinance shall be and remain controlling as to the matters contained herein.

SECTION 35: **Governing Law.** This Ordinance shall be construed and enforced in accordance with the laws of the State of Texas and the United States of America.

SECTION 36: **Effect of Headings.** The Section headings herein are for convenience of reference only and shall not affect the construction hereof.

SECTION 37: **Construction of Terms.** If appropriate in the context of this Ordinance, words of the singular number shall be considered to include the plural, words of the plural number shall be considered to include the singular, and words of the masculine, feminine or neuter gender shall be considered to include the other genders.

SECTION 38: **Severability.** If any provision of this Ordinance or the application thereof to any circumstance shall be held to be invalid, the remainder of this Ordinance and the application thereof to other circumstances shall nevertheless be valid, and the City Council hereby declares that this Ordinance would have been enacted without such invalid provision.

SECTION 39: **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.

"*SEC*" means the United States Securities and Exchange Commission.

(b) Annual Reports. The City shall provide annually to the MSRB (1) within six months after the end of each fiscal year of the City beginning in the year 2021, financial information and operating data with respect to the City of the general type included in Tables 1 through 4 and 6 through 9 in Appendix A of the final Official Statement and (2) within twelve months after the end of each fiscal year of the City beginning in the year 2021, the audited financial statements of the City. If the audit of such financial statements is not complete within twelve (12) months after any such fiscal year end, then the City shall file unaudited financial statements by the required time and audited financial statements for the applicable fiscal year, when and if the audit report becomes available. Any financial statements to be provided shall be (i) prepared in accordance with the accounting principles described in Appendix C to the Official Statement, or such other accounting principles as the City may be required to employ from time to time pursuant to state law or regulation, and in substantially the form included in the Official Statement, and (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 City 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 City 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) Notice of Certain Events. The City shall provide notice of any of the following events with respect to the Certificates 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 Certificates, or other material events affecting the tax status of the Certificates;

7. Modifications to rights of holders of the Certificates, if material;
8. Certificate calls, if material, and tender offers;
9. Defeasances;
10. Release, substitution, or sale of property securing repayment of the Certificates, 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.

For these purposes, (a) any event described in the immediately preceding item 12 is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent, or similar officer for the City 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 City, 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 City, and (b) the City 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 City shall notify the MSRB, in a timely manner, of any failure by the City to provide financial information or operating data in accordance with subsection (b) of this Section by the time required by such 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 City shall be obligated to observe and perform the covenants specified in this Section while, but only while, the City remains an "obligated person" with respect to the Certificates within the meaning of the Rule, except that the City in any event will give the notice required by subsection (c) hereof of any Certificate calls and defeasance that cause the City 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 Certificates, 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 City 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 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. The City does not make any representation or warranty concerning such information or its usefulness to a decision to invest in or sell Certificates at any future date.

UNDER NO CIRCUMSTANCES SHALL THE CITY BE LIABLE TO THE HOLDER OR BENEFICIAL OWNER OF ANY CERTIFICATE 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.

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

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

Notwithstanding anything herein to the contrary, the provisions of this Section may be amended by the City 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 City, but only if (1) the provisions of this Section, as so amended, would have permitted an underwriter to purchase or sell Certificates in the primary offering of the Certificates 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 Ordinance that authorizes such an amendment) of the Outstanding Certificates 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 Certificates. The provisions of this Section may also be amended from time to time or repealed by the City 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 City's right to do so would not prevent underwriters of the initial public offering of the Certificates from lawfully purchasing or selling Certificates in such offering. If the City so amends the provisions of this Section, it shall include with any amended financial information or operating data next provided pursuant to subsection (b) hereof 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 40: **Further Procedures**. Any one or more of the Mayor, Mayor Pro Tem, City Manager, Assistant City Manager, Director of Finance, and City Clerk 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 City 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 Ordinance and the issuance, sale and delivery of the Certificates. In addition, prior to the delivery of the Certificates, the Mayor, Mayor Pro Tem, City Manager, Assistant City Manager, Director of Finance, City Clerk or Bond Counsel to the City are each hereby authorized and directed to approve any changes or corrections to this Ordinance or to any of the documents authorized and approved by this Ordinance: (i) in order to cure any ambiguity, formal defect, or omission in the Ordinance 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 Certificates by the Attorney General. In the event that any officer of the City 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.

Additionally, the Mayor, Mayor Pro Tem, City Manager, Assistant City Manager, Director of Finance, and City Clerk may execute, authenticate, certify, or endorse or authorize to be executed, authenticated, certified, or endorsed with such officer's facsimile signature instead of the officer's manual signature any written agreement, including a contract, purchase order or surety bond, and any related document, including an application, certificate, or approval. For purposes of this Ordinance, "facsimile signature" means a reproduction of the manual signature of an authorized officer that is made by any method.

SECTION 41: **Incorporation of Findings and Determinations**. The findings and determinations of the City Council contained in the preamble of this Ordinance are hereby incorporated by reference and made a part of this Ordinance for all purposes as if the same were related in full in this Section.

SECTION 42: **Public Meeting**. It is officially found, determined, and declared that the meeting at which this Ordinance 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 Ordinance, was given, all as required by Texas Government Code, Chapter 551, as amended.

SECTION 43: **Effective Date.** In accordance with the provisions of Texas Government Code, Section 1201.028, as amended, this Ordinance shall be in force and effect from and after its passage on the date shown below and it is so ordained.

[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: _____

NAME: _____
RYAN PITTMAN, CITY ATTORNEY

EXHIBIT A

PAYING AGENT/REGISTRAR AGREEMENT

EXHIBIT B

FORM OF CERTIFICATES

(a) Form of Definitive Certificates.

REGISTERED NO._____ REGISTERED $_____

UNITED STATES OF AMERICA
STATE OF TEXAS
CITY OF SHERMAN, TEXAS,
COMBINATION TAX AND REVENUE CERTIFICATE OF OBLIGATION
SERIES 2021

Certificate Date:	Interest Rate:	Stated Maturity:	CUSIP No.:	Delivery Date:
May 18, 2021	_____%	August 15, 20____	_____	May 18, 2021

Registered Owner:

Principal Amount:

The City of Sherman (hereinafter referred to as the "City"), a body corporate and municipal corporation in the County of Grayson, State of Texas, for value received, acknowledges itself indebted to and hereby promises to pay to the Registered Owner named above, or the registered assigns thereof, on the Stated Maturity date specified above the Principal Amount hereinabove stated (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 Certificate appearing below (unless this Certificate 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 Certificate is prior to the initial interest payment date 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 February 15 and August 15 in each year, commencing February 15, 2022, until maturity or prior redemption. Principal of this Certificate is payable at its Stated Maturity or upon its prior redemption to the registered owner hereof, upon presentation and surrender, at the Designated Payment/Transfer Office of the Paying Agent/Registrar executing the registration certificate appearing hereon, or its successor; provided, however, while this Certificate is registered to Cede & Co., the payment of principal upon a partial redemption of the principal amount hereof may be accomplished without presentation and surrender of this Certificate. Interest is payable to the registered owner of this Certificate (or one or more Predecessor Certificates, as defined in the Ordinance 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 last business 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 registered owner. If the date for a payment of the principal of or interest on the Certificates shall be a Saturday, Sunday, a legal holiday, or a day when 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 when 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. All payments of principal of and interest on this Certificate shall be without exchange or collection charges to the owner hereof and 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.

This Certificate is one of the series specified in its title issued in the aggregate principal amount of $_____ (herein referred to as the "Certificates") for the purpose of paying contractual obligations to be incurred for (i) the construction of public works, to wit: (a) acquiring, constructing, designing, improving, expanding, renovating, and equipping a new Police Department Headquarters, (b) designing, constructing, renovating, improving, reconstructing, restructuring and extending streets, roads, thoroughfares, alleys, sidewalks, bridges, and intersections, including drainage, utility line relocations, entryways, landscaping, lighting, curbs, gutters, traffic signalization, and the acquisition of land and rights-of-way therefor, and (c) acquiring, constructing, improving and equipping parks and park facilities, and the acquisition of land and rights-of-way therefor, and (ii) professional services rendered in relation to such projects and the financing thereof, under and in strict conformity with the Constitution and laws of the State of Texas, particularly Texas Local Government Code, Subchapter C of Chapter 271, as amended, and pursuant to an Ordinance adopted by the City Council of the City (herein referred to as the "Ordinance").

[The Certificates maturing on the dates hereinafter identified (the "Term Certificates") are subject to mandatory redemption prior to maturity with funds on deposit in the Certificate Fund established and maintained for the payment thereof in the Ordinance, and shall be redeemed in part prior to maturity at the price of par and accrued interest thereon to the mandatory redemption date on the respective dates and in principal amounts as follows:

Term Certificates due August 15, 20__	
Redemption Date	Principal Amount
August 15, 20__	$
August 15, 20__	$ (maturity)

Term Certificates due August 15, 20__	
Redemption Date	Principal Amount
August 15, 20__	$
August 15, 20__	$
August 15, 20__	$ (maturity)

The particular Term Certificates of a given Stated Maturity required to be redeemed each redemption date shall be chosen by lot, or by any other customary method that results in a random selection, by the Paying Agent/Registrar; provided, however, that the principal amount of Term Certificates for a Stated Maturity required to be redeemed on a mandatory redemption date may be reduced, at the option of the City, by the principal amount of Term Certificates of like Stated Maturity which, at least fifty (50) days prior to the mandatory redemption date, (1)

shall have been acquired by the City at a price not exceeding the principal amount of such Term Certificates plus accrued interest to the date of purchase thereof, and delivered to the Paying Agent/Registrar for cancellation, or (2) shall have been redeemed pursuant to the optional redemption provisions appearing below and not theretofore credited against a mandatory redemption requirement.]

The Certificates maturing on and after August 15, 2031, may be redeemed prior to their Stated Maturities, at the option of the City, in whole or in part in principal amounts of $5,000 or any integral multiple thereof (and if within a Stated Maturity by lot by the Paying Agent/Registrar), on August 15, 2030, or on any date thereafter, at the redemption price of par, together with accrued interest to the date of redemption.

At least thirty (30) days prior to a redemption date, the City shall cause a written notice of such redemption to be sent by United States Mail, first class postage prepaid, to the registered owners of each Certificate to be redeemed at the address shown on the Security Register and subject to the terms and provisions relating thereto contained in the Ordinance. If a Certificate (or any portion of its principal sum) shall have been duly called for redemption and notice of such redemption duly given, then upon the redemption date such Certificate (or the portion of its principal sum 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 from and after the redemption date on the principal amount redeemed.

In the event a portion of the principal amount of a Certificate is to be redeemed and the registered owner is someone other than Cede & Co., payment of the redemption price of such principal amount shall be made to the registered owner only upon presentation and surrender of such Certificate to the Designated Payment/Transfer Office of the Paying Agent/Registrar, and a new Certificate or Certificates of like maturity and interest rate in any authorized denominations provided by the Ordinance for the then unredeemed balance of the principal sum thereof will be issued to the registered owner, without charge. If a Certificate is selected for redemption, in whole or in part, the City and the Paying Agent/Registrar shall not be required to transfer such Certificate to an assignee of the registered owner 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 registered owner of the unredeemed balance of a Certificate redeemed in part.

With respect to any optional redemption of the Certificates, unless certain prerequisites to such redemption required by the Ordinance have been met and moneys sufficient to pay the principal of and premium, if any, and interest on the Certificates 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 City shall not redeem such Certificates and the Paying Agent/Registrar shall

give notice, in the manner in which the notice of redemption was given, to the effect that the Certificates have not been redeemed.

The Certificates are payable from the proceeds of an ad valorem tax levied, within the limitations prescribed by law, upon all taxable property in the City and from a limited pledge of the Net Revenues (as defined in the Ordinance) of the City's combined Waterworks and Sewer System (the "System"), such pledge of the Net Revenues for the payment of the Certificates being limited to an amount of $1,000 and, together with a parity pledge securing the payment of the Previously Issued Certificates (identified and defined in the Ordinance), being junior and subordinate to the lien on and pledge of the Net Revenues securing the payment of "Prior Lien Obligations" (as defined in the Ordinance) now outstanding and hereafter issued by the City. In the Ordinance, the City reserves and retains the right to issue Prior Lien Obligations while the Certificates are outstanding without limitation as to principal amount but subject to any terms, conditions or restrictions as may be applicable thereto under law or otherwise, as well as the right to issue Additional Obligations (identified and defined in the Ordinance) payable from the same sources as the Certificates and, together with the Previously Issued Certificates and the Certificates, equally and ratably secured by a parity lien on and pledge of the Net Revenues of the System.

Reference is hereby made to the Ordinance, a copy of which is on file in the Designated Payment/Transfer Office of the Paying Agent/Registrar, and to all the provisions of which the owner or holder of this Certificate by the acceptance hereof hereby assents, for definitions of terms; the description of and the nature and extent of the tax levied for the payment of the Certificates; the nature and extent of the pledge of the Net Revenues securing the payment of the Certificates; the terms and conditions relating to the transfer or exchange of this Certificate; the conditions upon which the Ordinance may be amended or supplemented with or without the consent of the Holders; the rights, duties, and obligations of the City and the Paying Agent/Registrar; the terms and provisions upon which the tax levy and the pledge of the Net Revenues and covenants made in the Ordinance may be discharged at or prior to the maturity of this Certificate, and this Certificate deemed to be no longer Outstanding thereunder; and for the other terms and provisions contained therein. Capitalized terms used herein have the meanings assigned in the Ordinance.

This Certificate, subject to certain limitations contained in the Ordinance, 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 registered owner hereof, or his duly authorized agent. When a transfer on the Security Register occurs, one or more new fully registered Certificates 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 City and the Paying Agent/Registrar, and any agent of either, shall treat the registered owner 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 Certificate as the owner entitled to payment of principal hereof at its Stated Maturity or upon its prior redemption, in whole or in part, and (iii) on any other date as the owner for all other purposes, and neither the City 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 City. Notice of the Special Record Date and of the scheduled payment date of the past due interest (which shall be 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, recited, represented and declared that the City is a body corporate and political subdivision duly organized and legally existing under and by virtue of the Constitution and laws of the State of Texas; that the issuance of the Certificates is duly authorized by law; that all acts, conditions and things required to exist and be done precedent to and in the issuance of the Certificates to render the same lawful and valid obligations of the City have been properly done, have happened and have been performed in regular and due time, form and manner as required by the Constitution and laws of the State of Texas, and the Ordinance; that the Certificates do not exceed any Constitutional or statutory limitation; and that due provision has been made for the payment of the principal of and interest on the Certificates as aforestated. In case any provision in this Certificate 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. The terms and provisions of this Certificate and the Ordinance shall be construed in accordance with and shall be governed by the laws of the State of Texas.

IN WITNESS WHEREOF, the City Council of the City has caused this Certificate to be duly executed under the official seal of the City.

CITY OF SHERMAN, TEXAS

_____

Mayor

COUNTERSIGNED:

_____

City Clerk

(SEAL)

(b) Form of Registration Certificate of Comptroller of Public Accounts to appear on Initial Certificate(s) 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 Certificate 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)

(c) Form of Certificate of Paying Agent/Registrar to appear on Definitive Certificates only.

REGISTRATION CERTIFICATE OF PAYING AGENT/REGISTRAR

This Certificate has been duly issued and registered under the provisions of the within-mentioned Ordinance; the certificate or certificates 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 designated offices of the Paying Agent/Registrar located in East Syracuse, New York, is the "Designated Payment/Transfer Office" for this Certificate.

THE BANK OF NEW YORK MELLON
TRUST COMPANY, N.A., Dallas, Texas

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 Certificate and all rights thereunder, and hereby irrevocably constitutes and appoints _____ attorney to transfer the within Certificate 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 Certificate in every particular.

(e) The Initial Certificate(s) shall be in the form set forth in paragraph (b) of this Exhibit, except that the heading and first paragraph of the form of a single fully registered Initial Certificate shall be modified as follows:

REGISTERED
NO. T-1

REGISTERED
$_____

UNITED STATES OF AMERICA
STATE OF TEXAS
CITY OF SHERMAN, TEXAS,
COMBINATION TAX AND REVENUE CERTIFICATES OF OBLIGATION
SERIES 2021

Certificate Date:
May 18, 2021

Delivery Date:
May 18, 2021

Registered Owner: _____

Principal Amount: _____ DOLLARS

The City of Sherman (hereinafter referred to as the "City"), a body corporate and municipal corporation in the County of Grayson, State of Texas, for value received, acknowledges itself indebted to and hereby promises to pay to the Registered Owner named

above, or the registered assigns thereof, the Principal Amount hereinabove stated on August 15 in the years and in principal installments in accordance with the following schedule:

Year of Stated Maturity	Principal Installments	Interest Rate(s)

(Information to be inserted from schedule in Section 2 hereof)

(or so much thereof as shall not have been redeemed prior to maturity) and to pay interest on the unpaid principal amounts hereof from the Delivery Date at the per annum rate(s) of interest specified above computed on the basis of a 360-day year of twelve 30-day months; such interest being payable on February 15 and August 15 of each year, commencing February 15, 2022, until maturity or prior redemption. Principal installments of this Certificate are payable at its Stated Maturity or on a redemption date to the registered owner hereof by The Bank of New York Mellon Trust Company, N.A., Dallas, Texas (the "Paying Agent/Registrar"), upon presentation and surrender, at its designated offices in East Syracuse, New York (the "Designated Payment/Transfer Office"). Interest is payable to the registered owner of this Certificate 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 last business day of the month next preceding each interest payment date hereof 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 registered owner. If the date for the payment of the principal of or interest on the Certificates shall be a Saturday, Sunday, a legal holiday, or a day when 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 when 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. All payments of principal of, premium, if any, and interest on this Certificate shall be without exchange or collection charges to the owner hereof and 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 A

PAYING AGENT/REGISTRAR AGREEMENT

PAYING AGENT/REGISTRAR AGREEMENT

THIS AGREEMENT is entered into as of April ___. 2021 (this "Agreement"), by and between The Bank of New York Mellon Trust Company, N.A., a banking association duly organized and existing under the laws of the United States of America (the "Bank") and the City of Sherman, Texas (the "Issuer"),

RECITALS

WHEREAS, the Issuer has duly authorized and provided for the issuance of its "City of Sherman, Texas, Combination Tax and Revenue Certificates of Obligation, Series 2021" (the "Securities"), dated May 18, 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.

"Financial Advisor" means Specialized Public Finance Inc.

"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:

First	Express Delivery/Courier	By Hand Only
The Bank of New York Mellon Trust Company, N.A. Global Corporate Trust P.O. Box 396 East Syracuse, NY 13057	The Bank of New York Mellon Trust Company, N.A. Global Corporate Trust 111 Sanders Creek Pkwy. East Syracuse, NY 13057	The Bank of New York Mellon Trust Company, N.A. Global Corporate Trust Corporate Trust Window 101 Barclay Street, 1st Floor East New York, NY 10286

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, the 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 willful misconduct 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.

In the event the Bank becomes involved in litigation in connection with this Section, the Issuer, 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 as a result. 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.

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.

[Remainder of page left blank intentionally.]

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

THE BANK OF NEW YORK MELLON
TRUST COMPANY, N.A.

By:_____

Title:_____

Address: 2001 Bryan Street, 10th Floor
Dallas, Texas 75201

CITY OF SHERMAN, TEXAS

By: _____
Mayor

Address: 220 Mulberry Street
Sherman, Texas 75090

Attest:

_____
City Clerk

ANNEX A

SHERMAN CITY COUNCIL
Agenda Communication Form

City Council Regular Meeting **D. 3.**

Meeting Date: 04/19/2021

Prepared By: Teri Fine, Assistant to the City Manager

Approved By: Robby Hefton, City Manager

Caption:

ADOPTION OF ORDINANCES

Consider Adoption of Ordinance Numbers 6375 & 6376

Issue:

D.1 INTRODUCTION AND PUBLIC HEARING OF ORDINANCE NO. 6375

Authorizing the Issuance of "CITY OF SHERMAN, TEXAS, LIMITED TAX NOTES, SERIES 2021"; Specifying the Terms and Features of Said Notes; Levying a Continuing Direct Annual Ad Valorem Tax for the Payment of Such Notes; and Resolving Other Matters Incident and Related Thereto, Including the Approval and Execution of a Paying Agent/Registrar Agreement and the Approval and Distribution of an Official Statement and Providing an Effective Date

D.2. INTRODUCTION AND PUBLIC HEARING OF ORDINANCE NO. 6376

Authorizing the Issuance of "CITY OF SHERMAN, TEXAS, COMBINATION TAX AND REVENUE CERTIFICATES OF OBLIGATION, SERIES 2021"; Specifying the Terms and Features of Said Certificates; Providing for the Payment of Said Certificates of Obligation by the Levy of an Ad Valorem Tax Upon All Taxable Property within the City and a Limited Pledge of the Net Revenues from the Operation of the City's Waterworks and Sewer System; Resolving Other Matters Incident and Relating to the Issuance, Payment, Security, Sale and Delivery of Said Certificates, Including the Approval and Execution of a Paying Agent/Registrar Agreement and the Approval and Distribution of an Official Statement; and Providing an Effective Date

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SHERMAN CITY COUNCIL
Agenda Communication Form

City Council Regular Meeting **E. 1.**

Meeting Date: 04/19/2021

Prepared By: Wayne Lee, Director of Engineering

Approved By: Robby Hefton, City Manager

Caption:

RESOLUTION NO. 6727

Authorizing Execution of The First Amendment to The Bel Air Village Master Development Agreement With Terra Perpetua, LLC, A Delaware Limited Liability Company, Amending The Terms And Conditions of The Bel Air Village Master Development Agreement Dated December 18, 2020 And Approved By Resolution No. 6676; Finding And Determining That The Meeting at Which This Resolution Is Passed Was Noticed And Is Open to The Public as Required By Law.

Issue:

Amending the Master Development Agreement for the construction of the City's portion of public facilities in Bel-Air Village, Phase 1,
an approximate 60-acre Development East of U.S. Highway 75 and South of F.M. 1417 (Vietnam Veterans Parkway)

Background:

Bel Air Communities, LLC a Delaware Limited Liability Company proposes to construct an approximate 278-acre Development East of U.S. Highway 75 and South of F.M. 1417 (Vietnam Veterans Parkway). Bel Air is ready to commence construction of Phase I of their development, which will include the construction of streets, sidewalks, landscaping, storm sewer, water, and wastewater mains. The developer's portion of improvements will total about $9.1 million, and there is a separate agenda item on this agenda to discuss the funding for their portion of this project through the recently created Public Improvement District (PID).

This Amendment to the Master Development Agreement (MDA), the MDA of which was approved by the Council in December 2020, lines out the City's commitment to allow the developer to manage the construction of Phase I improvements that are the *City's* responsibilities. This amendment will allow the City to gain favorable pricing and to ensure seamless management for ALL of the public infrastructure improvements. The total cost of the City's portion for this project is expected to be less than 30% of the total project improvements of over $11 million, as is allowed by state law.

The City's portion of Phase I will include approximately 2,000 feet of 20-inch water main along F.M. 1417 which will serve southeast Sherman, and approximately 1,120 feet of Bel Air Boulevard which is on the city's Master Thoroughfare Plan. It would also include improvements to install a deceleration lane along FM 1417 as it approaches Bel Air Boulevard. Upon completion, the improvements will be dedicated to the City, and the City will be responsible for the maintenance of these public facilities thereafter.

Under this MDA arrangement, the City agrees to reimburse the developer for these City project costs on a monthly basis as construction draw requests are submitted and approved by City staff.

Origination:

Engineering Department

Financial Consideration:

The City's portion of these improvements is about $2.0 million to $2.3 million. This estimate is considerably lower than the $2.5 million to $3.0 million originally estimated for the City's portion of Phase I improvements.

Staff Recommendation:

Staff recommends approval of the Amendment to the Master Development Agreement.

Alternatives:

As directed by the City Council

Attachments

Resolution No. 6727
First Amendment to Bel Air MDA
Exhibit A
Bel Air Phase 1 - Budget
Aerial Location Map

RESOLUTION NO. 6727

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AUTHORIZING EXECUTION OF THE FIRST AMENDMENT TO THE BEL AIR VILLAGE MASTER DEVELOPMENT AGREEMENT WITH TERRA PERPETUA, LLC, A DELAWARE LIMITED LIABILITY COMPANY, AMENDING THE TERMS AND CONDITIONS OF THE BEL AIR VILLAGE MASTER DEVELOPMENT AGREEMENT DATED DECEMBER 18, 2020 AND APPROVED BY RESOLUTION NO. 6676; FINDING AND DETERMINING THAT THE MEETING AT WHICH THIS RESOLUTION IS PASSED WAS NOTICED AND IS OPEN TO THE PUBLIC AS REQUIRED BY LAW.

RECITALS

WHEREAS, the City and Bel Air Communities, LLC, a Delaware limited liability company (the "Original Developer") entered into that certain Bel Air Village Master Development Agreement on December 18, 2020 (the "MDA"), as approved by the City Council pursuant to Resolution No. 6676, whereby the MDA provides for the terms and conditions for the construction of public facilities in the Bel Air Village Planned Development, an approximate 278-acre development east of U.S. Highway 75 and sough of F.M. 1417 (Vietnam Veterans Parkway) and located wholly within Sherman Tax Increment Reinvestment Zone #7 in the City of Sherman ("Bel Air Village"), Texas; and

WHEREAS, the Original Developer's interest and obligations in and to the MDA have been assigned to Terra Perpetua, LLC, a Delaware limited liability company (the "Developer"); and

WHEREAS, the Developer and the City desire to amend the terms and conditions of the MDA pursuant to that certain First Amendment to Bel Air Village Master Development Agreement (the "First Amendment") attached hereto and made a part hereof for all purposes to acknowledge Developer's assumption of interest and obligations in and to the MDA, and to modify other terms related to the development and construction of Bel Air Village.

NOW, THEREFORE, 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 the First Amendment, 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.

PASSED AND APPROVED on this the _____ day of _____, 2021.

CITY OF SHERMAN, TEXAS

BY: _____
DAVID PLYLER, MAYOR

ATTEST:

BY: _____
LINDA ASHBY, CITY CLERK

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

BY: _____

NAME: _____
CITY ATTORNEY

FIRST AMENDMENT TO
BEL AIR VILLAGE
MASTER DEVELOPMENT AGREEMENT

This First Amendment to Bel Air Village Master Development Agreement (this "Amendment") is entered into by and between **Terra Perpetua, LLC**, a Delaware limited liability company (the "Developer"), and the **City of Sherman, Texas**, a home-rule municipality of the State of Texas (the "City," and collectively with the Developer, the "Parties"), to be effective on the date upon which the last of all of the Parties has approved and duly executed this Agreement ("Effective Date").

ARTICLE I
RECITALS

WHEREAS, the City and Bel Air Communities, LLC, a Delaware limited liability company (the "Original Developer") entered into that certain Bel Air Village Master Development Agreement dated December 18, 2020, recorded under Instrument Number _____ in the Official Records of Grayson County, Texas (the "Original Agreement" and together with this Amendment, the "MDA"), which provides for certain terms and conditions related to the phased development of the Property into a mixed-use project known as "Bel Air Village;" and

WHEREAS, the Developer is the current owner of the Property; and

WHEREAS, the Original Developer has assigned all right, title, benefit, burden, obligation, and interest of any kind whatsoever in and to the MDA to Developer, and Developer's execution of this Amendment hereof shall serve as consent and acknowledgement of Developer's assumption of all right, title, benefit, burden, obligation, and interest of any kind whatsoever in and to the MDA from the Original Developer; and

WHEREAS, the MDA provides for the Developer's design, construction, installation and development of certain improvements on the Property referred to as the Developer Improvements, and the City's design, construction, installation and development of certain improvements on the Property referred to as the City Improvements, which such Developer Improvements and City Improvements are collectively referred to as the Improvements; and

WHEREAS, the Developer and the City intend to commence construction and development of each Party's respective Improvements designated for Phase 1 of Bel Air Village; and

WHEREAS, the City Improvement previously identified as Grand Parkway shall hereby be identified as "Bel Air Boulevard;" and

WHEREAS, in addition to those City Improvements identified in the MDA, the City Improvements shall further include a new 20" water main located along the thoroughfare known as FM 1417, which the length of such 20" water main shall be agreed upon by the Parties (the "FM 1417 Water Main"); and

WHEREAS, the Developer shall include portions of Bel Air Boulevard and the FM 1417 Water Main in its Phase 1 construction contract in addition to those Developer Improvements known as the Authorized Improvements to be constructed in Phase 1 that consist of public improvements that will be dedicated to the City in the manner set forth in the MDA; and

WHEREAS, the City shall reimburse the Developer for Developer's costs incurred in designing, constructing and installing the Phase 1 portion of Bel Air Boulevard and the FM 1417 Water Main in a manner that is consistent with the terms and conditions set forth in this Amendment and all state, federal, and local laws, including, without limitation, the City Regulations and Chapter 212, Subchapter C of the Texas Local Government Code.

NOW, THEREFORE, for and in consideration of the mutual covenants of the Parties set forth in this Amendment, and for other good and valuable consideration, the receipt and adequacy of which are acknowledged, the MDA is hereby amended as follows:

AGREEMENT

1. Incorporation of Recitals. The representations, covenants and recitations set forth in the forth in the foregoing recitals of this Amendment are true and correct, are incorporated into the body of this Amendment and are adopted as findings of the City and the authorized representative of the Developer.

2. The ninth recital to the MDA is amended as follows:

> **WHEREAS,** in consideration for Developer's agreements contained herein and contingent upon the Developer's construction of the Developer Improvements, the City will design, construct, install, develop or reimburse in the manner specified in this Agreement and at its sole cost and expense certain infrastructure improvements on the Property in phases consistent with the Concept Plan, City Regulations, and terms and conditions of this Agreement, which will include, without limitation, the following (collectively, the "City Improvements"): (i) the road identified on the Concept Plan as Legacy Boulevard, along with appurtenant utilities, drainage, and other infrastructure required to support the same (collectively, "Legacy Boulevard"); (ii) the road identified on the Concept Plan as Grand Parkway (now to be named. "Bel Air Boulevard"), along with appurtenant utilities, drainage, and other infrastructure required to support the same (collectively, referred to herein as either "Grand Parkway" or "Bel Air Boulevard"); (iii) the road identified on the Concept Plan as Bel Air Beach Road, along with appurtenant utilities, drainage, and other infrastructure required to support the same (collectively, "Bel Air Beach Road"); and (iv) the road improvements identified on the Concept Plan at the intersection of FM 1417 and Bel Air Boulevard, which will include a new 20" water main located along the thoroughfare known as FM 1417 the length of which shall be agreed upon by the Parties (the "FM 1417 Water Main"), a deceleration land (the "FM 1417 Deceleration Lane"), a traffic light serving such intersection (the "FM 1417 Traffic Light"), along with appurtenant utilities, drainage, and other

infrastructure required to support the same (together with the FM 1417 Water Main, the FM 1417 Deceleration Land, and the 1417 Traffic Light, the "FM 1417 Improvements"); and

3. City's Phase 1 Improvements. The last sentence of Section 4.1(a) of the MDA titled "Phase 1" is hereby deleted and replaced in its entirety with the following:

"The City will participate in the construction of the FM 1417 Improvements consisting of the FM 1417 Deceleration Lane, the FM 1417 Water Main, the length of which is to be agreed upon by the Parties, and the other FM 1417 Improvements needed to service the FM 1417 Deceleration Lane and the FM 1417 Water Main (such portions of the FM 1417 Improvements to be constructed in Phase 1 being referred to collectively as the "Phase 1 FM 1417 Improvements"), along with the four (4) total anticipated lanes of Bel Air Boulevard, the initial length of which is expected to be about one thousand one hundred (1,100) linear feet as follows:

(1) Construction of Phase 1 Improvements and Reimbursement. The Parties acknowledge and agree to the following:

(A) Developer, on behalf of the City, shall include the Phase 1 FM 1417 Improvements and portion of Bel Air Boulevard to be constructed in Phase 1 in Developer's Phase 1 construction contract in addition to those other Authorized Improvements that Developer is responsible for constructing and developing in Phase 1. The City and the Developer acknowledge and agree that the plans and specifications for the Phase 1 FM 1417 Improvements shall be produced by Hayter Engineering pursuant to the service contract said engineer has with the City, and the plans and specifications for the Phase 1 portion of Bel Air Boulevard shall be produced by Kimley-Horn and Associates, Inc. pursuant to the service contract said engineer has with the Developer.

(B) The City shall reimburse the Developer pursuant to the process set forth in Section 2(c) herein for all of the Developer's actual, documented costs incurred in constructing and installing the Phase 1 FM 1417 Improvements and in designing, constructing, and installing the Phase 1 portion of Bel Air Boulevard; provided, however, in no event shall the City's reimbursement to the Developer exceed 30% of the total construction cost of all of the public, Authorized Improvements that the Developer constructs in Phase 1 and dedicates to the City in the manner set forth herein, and such reimbursement shall comply with all state, federal, and local laws and regulations, including, without limitation, the City Regulations and Chapter 212, Subchapter C of the Texas Local Government Code. Project management costs for construction in connection with the construction of the Phase 1 FM 1417 Improvements and the Phase 1 Portion of Bel Air Boulevard shall not exceed 3.5% of the total construction cost of all of the public, Authorized Improvements that the Developer constructs in Phase 1 and dedicates to the City in the manner set forth herein,. The City's estimated reimbursement of the Developer as set forth above is $2,000,000.00.

(C) After commencement and during construction of the Phase 1 FM 1417 Improvements and/or the Phase 1 portion of Bel Air Boulevard, the Developer shall deliver to the City a written request for reimbursement of its actual costs incurred as set forth in Section

2(b) herein on or before the tenth (10th) day of each month (each a "Reimbursement Request"), accompanied by evidence of such reimbursable costs, for the City's approval, such approval not to be unreasonably withheld, conditioned or delayed. Each Reimbursement Request shall include a written certificate from the Developer's contractor, in a form reasonably acceptable to the City, stating the portion(s) of the Phase 1 FM 1417 Improvements or the Phase 1 portion of Bel Air Boulevard completed to date, the cost (after payment of the Reimbursement Request) to complete the same, the amount paid for the same to date, and such other information, affidavits, or certifications as the City may reasonably require. Each Reimbursement Request shall include copies of appropriate partial or full-release lien waivers in form and content sufficient to comply with all local laws, City Regulations, and recording requirements as reasonably satisfactory to the City. If the City approves the Developer's Reimbursement Request, or fails to object to the Developer's Reimbursement Request in writing within ten (10) business days of receipt thereof, such Reimbursement Request shall be deemed approved by the City and the City shall reimburse the Developer the amount set forth in such approved Reimbursement Request no later than the end of the calendar month within which the Reimbursement Request was sent. For purposes of clarity, if the City makes only objections to some, but not all, of the Developer's Reimbursement Request, those portions of the Reimbursement Request that the City does not object to shall be reimbursed by the City to the Developer in the manner set forth above. If the City timely objects to any portion of a Reimbursement Request, the City shall specify the objectionable items, the reasons for the objections, and the actions to be taken or modifications to be made in order to obtain the City's approval of the Reimbursement Request. The City and the Developer shall attempt in good faith to resolve such objections and obtain the City's approval of such Reimbursement Request. If the Parties are unable to resolve such objections and obtain the City's approval of such Reimbursement Request within ten (10) days after the date of the City's objection, the objectionable portions of such Reimbursement Request shall be submitted to the engineer corresponding to the particular Improvement that the Developer is seeking reimbursement for resolution and approval, and said engineer's decision shall be binding on the Parties. The City shall reimburse the Developer as directed in writing by such engineer within five (5) days after its receipt of such direction.

(D) The City shall waive all of the City's standard engineering plan review, inspection, and testing fees in connection with the construction of the Phase 1 FM 1417 Improvements and the Phase 1 portion of Bel Air Boulevard; provided, however, the Developer shall pay to the City an engineering plan review, inspection, and testing fee equal to 4% of the total construction cost of all public, Authorized Improvements that the Developer constructs in Phase 1 and dedicates to the City in the manner set forth herein less the cost to construct the Phase 1 FM 1417 Improvements and the Phase 1 portion of Bel Air Boulevard. Notwithstanding the foregoing, the Developer shall remain subject to paying the City's other standard fees as part of the City Regulations in connection with its development of the Property as otherwise set forth herein. The City and the Developer acknowledge and agree that any and all goods and services relative to the public, Authorized Improvements that the Developer constructs and Phase 1 and dedicates to the City in the manner set forth herein are exempt from state and local sales tax in accordance with §151.309 and §151.311 of the Texas Tax Code.

(E) Performance, Payment, and Maintenance Bond. Prior to the Developer's commencement of construction of any Improvements on the Property, the Developer and the Developer's contractor will be required to enter into the City's standard "Three-Party

Agreement" (herein so called), which such Three-Party Agreement requires, among other things, the Developer to present the City Performance Bonds, Payment Bonds, and Maintenance Bonds in a form approved by the City.

(F) Failure to Complete Phase 1 Improvements. If the Developer fails to complete the public, Authorized Improvements that the Developer is required to construct in Phase 1 and dedicate to the City in the manner set forth herein on or before May 30, 2022, the City may, at its election, use the Performance Bond referenced above to complete such Improvements without the necessity of providing the Developer with further notice prior to such election. The City's exercise of the Performance Bond shall not constitute a waiver of any other remedies that the City may be entitled to hereunder in the event of the Developer's default."

4. City's Phase 2 Improvements. The last sentence of section 4.1(b) of the MDA is replaced in its entirety with the following:

"The "Phase 2 City Improvements" means Bel Air Beach Road and the remaining portions of the 1417 Improvements not previously constructed, including, without limitation, the FM 1417 Traffic Light (such portions of the FM 1417 Improvements to be construed in Phase 2 being referred to collectively as the "Phase 2 FM 1417 Improvements")."

5. City's Phase 3 Improvements. The last sentence of section 4.1(c) of the MDA is replaced in its entirety with the following:

> "The "Phase 3 City Improvements" means the remaining portions of Bel Air Boulevard and Legacy Boulevard."

6. Exhibit "C" of the MDA is replaced with the Exhibit "C" attached hereto as Exhibit "A".

7. Defined Terms. Any term not defined herein shall be deemed to have the same meaning ascribed to it under the Original Agreement.

8. Ratification. The Developer and the City hereby ratify and confirm all of the terms, provisions, covenants and conditions of the Original Agreement and acknowledge and agree that the Original Agreement remains in full force and effect, except as amended in this Amendment.

9. Controlling Agreement. To the extent that any provision contained herein conflicts with the Original Agreement, the provision contained herein shall supersede such conflicting provisions contained in the Original Agreement.

10. Entire Agreement/Amendment. This Amendment and the Original Agreement contain the entire agreement of the Parties with respect to the matters contained herein. This Amendment may not be modified or terminated except upon the provisions hereof or by the mutual written agreement of the Parties hereto.

11. Authority to Execute. The individuals executing this Amendment on behalf of the respective Parties below represent to each other and to others that all appropriate and necessary action has been taken to authorize the individual who is executing this Amendment to do so for and on behalf of the Party for which his or her signature appears, that there are no other parties or entities required to execute this Amendment in order for the same to be an authorized and binding agreement on the Party for whom the individual is signing this Amendment and that each individual affixing his or her signature hereto is authorized to do so, and such authorization is valid and effective on the date hereof.

12. Counterparts. This Amendment may be executed in a number of identical counterparts, each of which shall be deemed an original for all purposes, and all such counterparts shall, collectively, constitute one Amendment. An electronic mail or facsimile signature will also be deemed to constitute an original if properly executed and delivered to the other Party.

[signatures on following pages]

EXECUTED by the City and Developer on the respective dates stated below.

Date: _____ **CITY OF SHERMAN**

By: _____
David Plyler, Mayor

ATTEST:

_____
Linda Ashby, City Clerk

APPROVED AS TO FORM

_____
_____, Attorney for the City

STATE OF TEXAS §
§
COUNTY OF GRAYSON §

This instrument was acknowledged before me on the __ day of _____, 2021 by _____ of the City of Sherman, Texas on behalf of said City.

_____
Notary Public, State of Texas

(SEAL)

_____
Name printed or typed

Commission Expires:_____

DEVELOPER

Terra Perpetua LLC,
a Delaware limited liability company

By: _____
Name: Ronny Guerrero
Its: President & CEO

STATE OF TEXAS §
§
COUNTY OF DALLAS §

This instrument was acknowledged before me on the _____ day of _____, 2021 by Ronny Guerrero, President & CEO of Terra Perpetua, LLC, a Texas limited liability company, on behalf of said company.

_____
Notary Public, State of Texas

EXHIBIT "A"
AMENDED MDA EXHIBIT C

EXHIBIT "C"
AUTHORIZED IMPROVEMENTS

City's Authorized Improvements:

City's Authorized Improvements will consist of all water, sewer, drainage, roadway infrastructure and related appurtenances for each of the projected phases. This will include the following:

Phase 1 - Reimbursement funding for Phase 1 portion of Bel Air Boulevard and the Phase 1 FM 1417 Improvements

Phase 2 - Bel Air Beach Road from Bel Air Boulevard to Legacy Boulevard and the Phase 2 FM 1417 Improvements.

Phase 3 - The remaining portion of Bel Air Boulevard and Legacy Boulevard.

Developer's Authorized Improvements:

Developer's Authorized Improvements will consist of all water, sewer, drainage, roadway infrastructure and related appurtenances for each of the projected phases, and will also include various quality of life public amenities such as parks, trails and linear park areas, open and green spaces, and water feature amenities, such as the following:

Certain Public Infrastructure to serve the Single-Family Development.

Certain Amenities such as parks, trails, linear parks, open and green space, Bel Air Beach Club and related features, and other quality of life amenities.

Certain Public Infrastructure to serve the Multi-Family Complex.

BID SCHEDULE

NO.	DESCRIPTION	ESTIMATED QUANTITY	UNIT PRICE	TOTAL PRICE
1.	Mobilization	1 LS	$ 25000	$ 25000
2.	6" C900 DR18 PVC, installed, tested, and complete.	58 LF	$ 40	$ 2280
3.	12" C900 DR18 PVC, installed, tested, and complete.	26 LF	$ 100	$ 2600
4.	20" C900 DR18 PVC, installed, tested, and complete.	1,805 LF	$ 80	$ 144400
5.	20" C900 DR18 restrained joint PVC, installed, tested, and complete.	172 LF	$ 130	$ 22360
6.	36" steel encasement with casing spacers, installed and complete.	138 LF	$ 500	$ 69000
7.	6" Gate valve, installed and complete with valve box, marker, and pad.	5 EA	$ 1250	$ 6250
8.	20" Butterfly valve, installed and complete with valve box, marker, and pad.	2 EA	$ 15000	$ 30060
9.	24"x12" Tapping sleeve and valve, installed and complete with valve box, marker, and pad.	2 EA	$ 7500	$ 15000
10.	Fire hydrant, exclusive of valve and fittings, installed and complete.	2 EA	$ 5000	$ 10000
11.	Air release valve assembly with vault and cover, installed and complete.	1 LS	$ 20000	$ 20000
12.	Ductile iron fittings, installed, tested, and complete with thrust restraints and concrete blocking.	2.37 TN	$ 10000	$ 23700
13.	Trench safety (5'-8')	1,942 LF	$ 1	$ 1942
14.	Asphalt driveway repair.	13 LF	$ 100	$ 1300

15.	Flowable backfill under proposed drives.	118 LF	$ 75	$ 8850
16.	Clear and grub as shown on plans.	1 LS	$	$
17.	Reseeding disturbed areas.	1 LS	$	$
18.	Silt fence.	1,175 LF	$ 220	$ 2,585
19.	Traffic control plan.	1 LS	$	$
20.	Disinfection.	1 LS	$ 2500	$ 2500

BEL AIR VILLAGE - SHERMAN, TX
BEL AIR BOULEVARD - PHASE 1 BUDGET

4/2/2021

ENGINEERING, CONSULTING, AND FEES

ITEM NO.	DESCREIPTION	UNIT	ESTIMATED QUANTITY	UNIT PRICE	TOTAL PRICE	PID DIRECT	PID MI	NON-PID
1	CIVIL ENGINEERING AND SURVEYING	%	10%	$1,253,418.49	$125,341.85	$0.00	$0.00	$125,341.85
2	CONSTRUCTION MANAGEMENT	%	3.5%	$1,253,418.49	$43,869.65	$0.00	$0.00	$43,869.65
3	INSPECTION FEES	%	0%	$1,253,418.49	$0.00	$0.00	$0.00	$0.00
4	FINAL SOILS REPORT	LS	1	$3,000.00	$3,000.00	$0.00	$0.00	$3,000.00
5	CMT	%	2%	$1,253,418.49	$25,068.37	$0.00	$0.00	$25,068.37
6	PHOTOMETRIC & LIGHTING PLANS	LS	1	$1,250.00	$1,250.00	$0.00	$0.00	$1,250.00
7	LANDSCAPE ARCHITECT	LS	1	$25,000.00	$25,000.00	$0.00	$0.00	$25,000.00
	TOTAL - ENGINEERING, CONSULTING, AND FEES:				**$223,530**	$0	$0	$223,530

GRADING AND SITE PREPARATION

EXCAVATION

ITEM NO.	DESCRIPTION	UNIT	ESTIMATED QUANTITY	UNIT PRICE	TOTAL PRICE	PID DIRECT	PID MI	NON-PID
1	CLEARING AND GRUBBING	AC	1.80	$2,000.00	$3,600.00	$0.00	$0.00	$3,600.00
2	UNCLASSIFIED EXCAVATION (CUT)	CY	4,835	$2.30	$11,120.50	$0.00	$0.00	$11,120.50
3	UNCLASSIFIED EXCAVATION (FILL)	CY	1,335	$2.30	$3,070.50	$0.00	$0.00	$3,070.50
	TOTAL - EXCAVATION WITH NO MOISTURE CONDITIONING:				**$17,791**	$0	$0	$17,791

EROSION CONTROL

ITEM NO.		UNIT	ESTIMATED QUANTITY	UNIT PRICE	TOTAL PRICE	PID DIRECT	PID MI	NON-PID
1	SILT FENCE	LF	1,000	$1.35	$1,350.00	$0.00	$0.00	$1,350.00
2	INLET PROTECTION	EA	1	$200.00	$200.00	$0.00	$0.00	$200.00
3	SEED DISTURBED AREAS	AC	0.00	$350.00	$0.00	$0.00	$0.00	$0.00
4	4' CURLEX	LF	2,000	$0.50	$1,000.00	$0.00	$0.00	$1,000.00

5	SWPPP	LS	1	$1,225.00	$1,225.00	$0.00	$0.00	$1,225.00
6	SWPPP INSPECTIONS	EA	12	$600.00	$7,200.00	$0.00	$0.00	$7,200.00
	TOTAL - EROSION CONTROL:				**$10,975**	$0	$0	$10,975

WET UTILITIES

ITEM NO.	DESCRIPTION	UNIT	ESTIMATED QUANTITY	UNIT PRICE	TOTAL PRICE	PID DIRECT	PID MI	NON-PID
	UTILITIES - WATER SYSTEMS							
1	8" AWWA C900 PVC WATERLINE & FITTINGS	LF	60	$24.00	$1,440.00	$0.00	$0.00	$1,440.00
2	12" AWWA C900 PVC WATERLINE & FITTINGS	LF	1,288	$36.00	$46,368.00	$0.00	$0.00	$46,368.00
3	20" x 12" TEE	EA	1	$2,500.00	$10,000.00	$0.00	$0.00	$10,000.00
4	12" GATE VALVE & BOX	EA	9	$5,000.00	$45,000.00	$0.00	$0.00	$45,000.00
5	8" GATE VALVE & BOX	EA	2	$1,300.00	$2,600.00	$0.00	$0.00	$2,600.00
6	24" BUTTERFLY VALVE	EA	1	$10,000.00	$10,000.00	$0.00	$0.00	$10,000.00
7	3/4" IRRIGATION SERVICE	EA	3	$800.00	$2,400.00	$0.00	$0.00	$2,400.00
8	FIRE HYDRANT ASSEMBLY	EA	4	$4,000.00	$16,000.00	$0.00	$0.00	$16,000.00
9	TRENCH SAFTEY	LF	1,348	$2.00	$2,696.00	$0.00	$0.00	$2,696.00
10	TESTING (CITY-REQUIRED)	LF	1,348	$2.00	$2,696.00	$0.00	$0.00	$2,696.00
11	PAYMENT, PERFORMANCE, AND MAINTENANCE BOND	LF	4%	$139,200.00	$5,568.00	$0.00	$0.00	$5,568.00
	SUBTOTAL UTILITIES - WATER SYSTEMS:				**$144,768**	$0	$0	$144,768

UTILITIES - STORM SEWER - MASTER IMPROVEMENT - LINE B

Total Infr

1	5' x 5' R.C.B	LF	11	$350.00	$3,977.19	$0.00	$0.00	$3,977.19
2	(3) 8' x 4' R.C.B.	LF	3	$1,900.00	$6,099.00	$0.00	$0.00	$6,099.00
3	48" Class III RCP	LF	132	$180.00	$23,841.22	$0.00	$0.00	$23,841.22
4	36 " Class III RCP	LF	77	$110.00	$8,498.95	$0.00	$0.00	$8,498.95
5	24" Class III RCP	LF	141	$60.00	$8,451.65	$0.00	$0.00	$8,451.65
6	18" Class III RCP	LF	28	$53.00	$1,485.70	$0.00	$0.00	$1,485.70
7	4' x 4' JUNCTION BOX	EA	0	$3,800.00	$0.00	$0.00	$0.00	$0.00
8	6' x 6' JUNCTION BOX	EA	0	$6,500.00	$0.00	$0.00	$0.00	$0.00
9	7' x 7' JUNCTION BOX	EA	6%	$8,500.00	$545.70	$0.00	$0.00	$545.70
10	10' CURB INLET	EA	4	$3,750.00	$15,000.00	$0.00	$0.00	$15,000.00
11	RIP-RAP	SY	3	$85.00	$272.85	$0.00	$0.00	$272.85
12	5' x 5' HEADWALL	EA	6%	$20,000.00	$1,284.00	$0.00	$0.00	$1,284.00
13	CUSTOM HEADWALL	EA	6%	$22,000.00	$1,412.40	$0.00	$0.00	$1,412.40
14	TRENCH SAFETY	LF	393	$1.00	$393.18	$0.00	$0.00	$393.18
15	TESTING (CITY-REQUIRED)	LF	393	$1.00	$393.18	$0.00	$0.00	$393.18
16	PAYMENT, PERFORMANCE, AND MAINTENANCE BOND	LF	4%	$71,655.01	$2,866.20	$0.00	$0.00	$2,866.20

SUBTOTAL UTILITIES - STORM SEWER:	**$74,521**	$0	$0	$74,521

PAVING

ITEM NO.	DESCRIPTION	UNIT	ESTIMATED QUANTITY	UNIT PRICE	TOTAL PRICE	PID DIRECT	PID MI	NON-PID
1	GRAND AVE (8" REINFORCED CONCRETE PVMT.)	SY	8,106	$57.00	$462,042.00	$0.00	$0.00	$462,042.00
2	8" SUBGRADE PREP (GRAND AVE)	SY	8,106	$3.25	$26,344.50	$0.00	$0.00	$26,344.50
3	HYDRATED LIME (36#/SY) (GRAND AVE)	TON	292	$175.00	$51,067.80	$0.00	$0.00	$51,067.80
4	6' CONCRETE SIDEWALK	LF	2,105	$33.00	$69,465.00	$0.00	$0.00	$69,465.00
5	STREET BARRICADE	EA	3	$2,500.00	$7,500.00	$0.00	$0.00	$7,500.00
6	PAVEMENT HEADER	LF	210	$33.00	$6,930.00	$0.00	$0.00	$6,930.00
7	BARRIER FREE RAMP	EA	8	$2,000.00	$16,000.00	$0.00	$0.00	$16,000.00
8	DECELERATION LANE ON FM 1417	LS	1	$150,000.00	$150,000.00	$0.00	$0.00	$150,000.00
9	TRAFFIC LIGHT (FM 1417 & GRAND AVE.)	EA	0	$350,000.00	$0.00	$0.00	$0.00	$0.00
10	PAYMENT, PERFORMANCE, AND MAINTENANCE BOND	LF	4%	$639,349.30	$25,573.97	$0.00	$0.00	$25,573.97
	TOTAL PAVING:				**$814,923.27**	$0.00	$0.00	$814,923.27

SITE FENCING / RETAINING WALLS / LANDSCAPE

ITEM NO.	DESCRIPTION	UNIT	ESTIMATED QUANTITY	UNIT PRICE	TOTAL PRICE	PID DIRECT	PID MI	NON-PID
1	TREES	EA	40	$450.00	$18,000.00	$0.00	$0.00	$18,000.00
2	COMMON AREA LANDSCAPE/IRRIGATION	SF	80,000	$1.88	$150,000.00	$0.00	$0.00	$150,000.00
3	ELECTRIC METER SET UP FEES	EA	3	$3,500.00	$10,500.00	$0.00	$0.00	$10,500.00
4	3/4" WATER METERS AND IMPACT FEES	EA	3	$1,000.00	$3,000.00	$0.00	$0.00	$3,000.00
5	STREET SIGNS	EA	4	$435.00	$1,740.00	$0.00	$0.00	$1,740.00
	TOTAL - SITE FENCING / RETAINING WALLS / LANDSCAPE:				**$183,240.00**	$0.00	$0.00	$1,740.00

DRY UTILITIES

ITEM NO.	DESCRIPTION	UNIT	ESTIMATED QUANTITY	UNIT PRICE	TOTAL PRICE	PID DIRECT	PID MI	NON-PID
1	STREET LIGHTS	EA	7	$0.00	$0.00	$0.00	$0.00	$0.00

2	STREET LIGHT CROSSINGS	LF	400	18.00	$7,200.00	$0.00	$0.00	$7,200.00
	TOTAL - DRY UTILITIES:				**$7,200.00**	$0.00	$0.00	$7,200.00

ROLLBACK TAXES

ITEM NO.	DESCRIPTION	UNIT	ESTIMATED QUANTITY	UNIT PRICE	TOTAL PRICE	PID DIRECT	PID MI	NON-PID
1	ROLLBACK TAXES	AC	58.5	$0.00	$0.00	$0.00	$0.00	$0.00
	TOTAL - ROLLBACK TAXES:				**$0**	$0	$0	$0
	GRAND TOTAL - PHASE 1				**$1,476,948.35**	$0.00	$0.00	$1,295,448.35
					$4,516.66			

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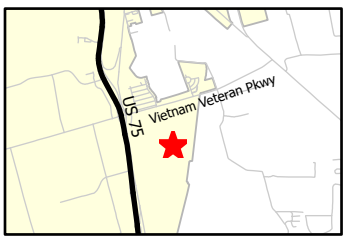
CITY OF SHERMAN

Bel Air Village



SHERMAN CITY COUNCIL
Agenda Communication Form

City Council Regular Meeting **E. 2.**

Meeting Date: 04/19/2021

Prepared By: Teri Fine, Assistant to the City Manager

Approved By: Robby Hefton, City Manager

Caption:

RESOLUTION NO. 6728

Determining The Costs Of Phase One District Improvements To Be Financed By The Bel Air Village Public Improvement District; Approving A Preliminary Service Plan And Assessment Plan, Including Proposed Phase One Assessment Roll, For The Bel Air Village Public Improvement District; Directing The Filing Of The Proposed Phase One Assessment Roll With The City Secretary; Calling A Regular Meeting And Noticing A Public Hearing For May 3, 2021 To Consider An Ordinance Levying Assessments On Property Located Within The Bel Air Village Public Improvement District; Directing The Filing Of The Proposed Phase One Assessment Roll With The City Secretary To Make Available For Public Inspection; Directing City Staff To Publish And Mail Notice Of Said Public Hearing; And Resolving Other Matters Incident And Related Thereto.

Issue:

Approving A Preliminary Service Plan And Assessment Plan (SAP), Including Proposed Phase One Assessment Roll, For The Bel Air Village Public Improvement District; Directing The Filing Of The Proposed Phase One Assessment Roll With The City Secretary; Calling A Regular Meeting And Noticing A Public Hearing For May 3, 2021 To Consider An Ordinance Levying Assessments On Property Located Within The Bel Air Village Public Improvement District; Directing The Filing Of The Proposed Phase One Assessment Roll With The City Secretary To Make Available For Public Inspection; Directing City Staff To Publish And Mail Notice Of Said Public Hearing; And Resolving Other Matters Incident And Related Thereto.

Background:

On March 15, 2021, the City Council of the City of Sherman approved Resolution No. 6711, authorizing, establishing and creating the Bel Air Village Public Improvement District (PID). The property within the district is being developed in phases, the first phase of which includes approximately 58.53 acres, and 327 single-family residential lots.

This PID will be the primary financing mechanism for the estimated $9.1 million in Phase 1 PID public improvements paid for by the Developer. The PID assessments associated with Phase 1 improvements will total about $7.2 million, with the balance of $1.9 million being paid directly by the Developer. These development costs relate to roads, water and sewer utilities, drainage, sidewalks, landscaping, etc. The PID assessments, which will be brought to the Council at the May 3 Council meeting via an Assessment Levy Ordinance, will be applied to future property owners within the district at a rate proportional to the lots sizes as lots are sold.

As a separate note, there will be certain public improvements that the City will be responsible for that are not part of this PID assessment, namely Bel Air Boulevard, some improvements along FM1417, and a 20" water line installation along FM1417. These improvements were contemplated in the recently approved Master Development Agreement, which is being amended as a separate agenda item on this April 19th agenda. The estimated cost of those improvements is about $2.0 million.

Origination:

City Managers Office

Financial Consideration:

The City determined the estimated total costs of certain public improvements for the benefit of the property within Phase 1 District Improvements and to be financed by the District is $9,060,054.

Staff Recommendation:

Staff recommends Council approval of the preliminary service and assessment plan, acceptance of the cost determination, and setting a public hearing for the Levy Ordinance for the May 3, 2021 City Council Meeting.

Alternatives:

As directed by the City Council

Attachments

Resolution No. 6728

Exhibit A: Preliminary Service and Assessment Plan (Draft)

Aerial Location Map

RESOLUTION NO. 6728

A RESOLUTION OF THE CITY OF SHERMAN, TEXAS DETERMINING THE COSTS OF PHASE ONE DISTRICT IMPROVEMENTS TO BE FINANCED BY THE BEL AIR VILLAGE PUBLIC IMPROVEMENT DISTRICT; APPROVING A PRELIMINARY SERVICE PLAN AND ASSESSMENT PLAN, INCLUDING PROPOSED PHASE ONE ASSESSMENT ROLL, FOR THE BEL AIR VILLAGE PUBLIC IMPROVEMENT DISTRICT; DIRECTING THE FILING OF THE PROPOSED PHASE ONE ASSESSMENT ROLL WITH THE CITY SECRETARY; CALLING A REGULAR MEETING AND NOTICING A PUBLIC HEARING FOR *MAY 3, 2021* TO CONSIDER AN ORDINANCE LEVYING ASSESSMENTS ON PROPERTY LOCATED WITHIN THE BEL AIR VILLAGE PUBLIC IMPROVEMENT DISTRICT; DIRECTING THE FILING OF THE PROPOSED PHASE ONE ASSESSMENT ROLL WITH THE CITY SECRETARY TO MAKE AVAILABLE FOR PUBLIC INSPECTION; DIRECTING CITY STAFF TO PUBLISH AND MAIL NOTICE OF SAID PUBLIC HEARING; AND RESOLVING OTHER MATTERS INCIDENT AND RELATED THERETO.

RECITALS

WHEREAS, the Public Improvement District Assessment Act, Texas Local Government Code, Chapter 372, as amended (the "Act") authorizes the governing body (the "City Council") of the City of Sherman, Texas (the "City"), to create a public improvement district within the City; and

WHEREAS, on March 15, 2021, the City Council of the City approved Resolution No. 6711 (the "Authorization Resolution"), authorizing, establishing and creating the Bel Air Village Public Improvement District (the "District"); and

WHEREAS, the property within the District is being developed in phases, the first phase of which includes approximately 58.53 acres ("Phase 1"); and

WHEREAS, the City determined the estimated total costs of certain public improvements, authorized by the Act, for the benefit of the property within Phase 1 of the District (the "Phase 1 District Improvements") and to be financed by the District is $9,060,054, as referenced in Table III-C of the Preliminary SAP (defined below); and

WHEREAS, the City Council and the City staff have been presented A "Bel Air Village Public Improvement District Preliminary Service and Assessment Plan" dated April 19, 2021 (the "Preliminary SAP"), including the proposed assessment roll for Phase 1 attached thereto as Appendix E (the "Proposed Phase 1 Assessment Roll"), a copy of the Preliminary SAP is attached hereto as **Exhibit A** and is incorporated herein for all purposes; and

WHEREAS, the Preliminary SAP sets forth the estimated total costs of the Phase 1 District Improvements to be financed by the District for Phase 1 and the Proposed Phase 1 Assessment

Roll states the assessments proposed to be levied against each parcel of land in Phase 1 of the District as determined by the method of assessment chosen by the City; and

WHEREAS, the Act requires that the Proposed Phase 1 Assessment Roll be filed with the City Secretary of the City (the "City Secretary") and be subject to public inspection; and

WHEREAS, the Act requires that a public hearing (the "Assessment Hearing") be called to consider the Preliminary SAP and proposed Phase 1 assessments and requires the City Council to hear and pass on any objections to the Preliminary SAP and proposed Phase 1 assessments at, or on the adjournment of, the Assessment Hearing; and

WHEREAS, the Act requires that notice of the Assessment Hearing be mailed to property owners liable for assessment and published in a newspaper of general circulation in the City before the tenth (10th) day before the date of the Assessment Hearing.

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

SECTION 1. The recitals set forth above in this Resolution are true and correct and are hereby adopted as findings of the City Council and are incorporated into the body of this Resolution as if fully set forth herein.

SECTION 2. The City Council does hereby accept the Preliminary SAP for the District, including the proposed Phase 1 Assessment Roll. All capitalized terms not otherwise defined herein shall have the meanings given to such terms in the Preliminary SAP.

SECTION 3. The City Council hereby determines that the total costs of the Phase 1 District Improvements to be financed by the District are those set forth in Table III-B of the Preliminary SAP, which costs do not include the payment of expenses incurred in the administration of the District or related to the issuance of any possible Bonds. Annual expenses incurred in the administration of the District are shown in the proposed Phase 1 Assessment Roll. Costs related to the issuance of Bonds, if any, in the future for the Phase 1 District Improvements will be set forth in in an updated SAP and will be paid from proceeds of such Bonds, assessments in Phase 1 or other sources.

SECTION 4. The City Council's final determination and approval of the costs of the Phase 1 District Improvements shall be subject to and contingent upon City Council approval of a final Service and Assessment Plan, which will include the final Phase 1 Assessment Roll, after the properly noticed and held Assessment Hearing.

SECTION 5. The proposed Phase 1 Assessment Roll states the assessment proposed to be levied against each parcel of land in Phase 1 of the District as determined by the method of assessment chosen by the City in the Authorization Resolution and as more fully described in the Preliminary SAP.

SECTION 6. The City Council hereby authorizes and directs the filing of the proposed Phase 1 Assessment Roll with the City Secretary and the same shall be available for public inspection.

SECTION 7. The City Council hereby authorizes, and calls, a meeting and a public hearing (the Assessment Hearing as defined above) to be held on *May 3, 2021 at 5:00 p.m. at City Council Chambers, 220 W. Mulberry, Sherman, Texas 75090*, at which the City Council shall, among other actions, hear and pass on any objections to the proposed assessments; and, upon the adjournment of the Assessment Hearing, the City Council will consider an ordinance levying the assessments as special assessments on property located within Phase 1 of the District that benefits from the Phase 1 District Improvements (which ordinance shall specify the method of payment of the assessments). In the event that the City Council will be unable to meet at the City Council Chambers on May 3, 2021, the City will post on its website, www.ci.sherman.tx.us, information for persons to attend the meeting by telephone, videoconference, or other electronic means.

SECTION 8. The City Council hereby authorizes and directs the City Secretary to publish notice of the Assessment Hearing to be held on *May 3, 2021* in substantially the form attached hereto as **Exhibit B** and incorporated herein for all purposes, in a newspaper of general circulation in the City, on or before April 22, 2021 as required by Section 372.016(b) of the Act.

SECTION 9. When the proposed Phase 1 Assessment Roll is filed with the City Secretary, the City Council hereby authorizes and directs the City Secretary to mail to owners of property liable for assessment notice of the Assessment Hearing to be held on *May 3, 2021*, on or before April 22, 2021, as required by Section 372.016(c) of the Act.

SECTION 10. The City staff is authorized and directed to take such other actions as are required (including, but not limited to, notice of the public hearing as required by the Texas Open Meetings Act) to place the public hearing on the agenda for the *May 3, 2021* meeting of the City Council.

SECTION 11. This Resolution shall become effective from and after its date of passage in accordance with law.

(*Signature page to follow*.)

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: _____ **BY:** _____
LINDA ASHBY, CITY CLERK **DAVID PLYLER, MAYOR**

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

BY: _____
NAME:_____
RYAN PITTMAN, CITY ATTORNEY

EXHIBIT A

PRELIMINARY SERVICE AND ASSESSMENT PLAN

(See attached.)

EXHIBIT B

CITY OF SHERMAN, TEXAS
NOTICE OF PUBLIC HEARING

NOTICE IS HEREBY GIVEN THAT a public hearing will be conducted by the City Council of Sherman, Texas on *May 3, 2021 at 5:00 p.m. at City Council Chambers, 220 W. Mulberry, Sherman, Texas 75090*. In the event that the City Council will be unable to meet at the City Council Chambers on May 3, 2021, the City of Sherman will post on its website, www.ci.sherman.tx.us, information for persons to attend the meeting by telephone, videoconference, or other electronic means. The public hearing will be held to consider proposed assessments to be levied against the assessable property within phase 1 ("Phase 1") of the Bel Air Village Public Improvement District (the "District") pursuant to the provisions of Chapter 372 of the Texas Local Government Code, as amended (the "Act").

The general nature of the proposed improvements authorized by the Act to be undertaken and financed for the benefit of the property within the District (the "Authorized Improvements") include, but are not limited to, landscaping, entryway features, water, wastewater, sidewalks, streets, roadways, off-street parking, drainage system improvements, trails, parks and open space, special supplemental services for the improvement and promotion of the District, and payment of expenses incurred in the establishment, administration, and operation of the District. The proposed Authorized Improvements to be undertaken at this time include road improvements, water distribution system improvements, sanitary sewer collection system improvements, storm sewer collection system improvements, and costs related to the administration of the District and financing the Phase 1 Authorized Improvements.

The total expected cost of the Authorized Improvements that will benefit property within Phase 1 of the District is $9,060,054.

The boundaries of the District include approximately 278.38 acres of land located within the corporate limits of the City of Sherman, Grayson County, Texas, being composed of tracts generally located in the 300-1000 Blocks East FM 1417 (Vietnam Veterans Parkway). The boundaries of Phase 1 of the District include approximately 58.53 acres of land within the District, as more particularly described by a metes and bounds description available at Sherman City Hall, 220 W. Mulberry, Sherman, Texas 75090, and available for public inspection.

All written or oral objections on the proposed assessment within the District will be considered at the public hearing.

A copy of the proposed assessment roll relating to the Authorized Improvements to be undertaken at this time, which includes the assessments to be levied against certain assessable property in

Phase 1 of the District, is available for public inspection at the office of the City Secretary, 220 W. Mulberry, Sherman, Texas 75090.

BEL AIR VILLAGE
PUBLIC IMPROVEMENT DISTRICT

CITY OF SHERMAN, TEXAS

PRELIMINARY SERVICE AND ASSESSMENT PLAN

May 3, 2021

PREPARED BY:

MUNICAP, INC.
PUBLIC FINANCE

BEL AIR VILLAGE
PUBLIC IMPROVEMENT DISTRICT

PRELIMINARY SERVICE AND ASSESSMENT PLAN

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I. PLAN DESCRIPTION AND DEFINED TERMS

A. INTRODUCTION

On March 15, 2021, the City Council of the City of Sherman passed and approved Resolution No. 6711 approving and authorizing the creation of Bel Air Village Public Improvement District (the "PID") to finance the costs of certain public improvements for the benefit of property in the PID, which is presently located within the City.

The property in the PID is proposed to be developed in multiple phases, and the PID will finance public improvements for each phase as each phase is developed. Assessments will be imposed on all property in the PID for the public improvements that benefit the entire PID and on the property in each phase for the public improvements to be constructed for the benefit of that phase.

Chapter 372 of the Texas Local Government Code, the "Public Improvement District Assessment Act" (as amended, the "PID Act"), governs the creation and operation of public improvement districts within the State of Texas. The Bel Air Village Public Improvement District Service and Assessment Plan (the "Service and Assessment Plan") has been prepared in accordance with the PID Act and specifically Sections 372.013, 372.014, 372.015 and 372.016, which address the requirements of a service and assessment plan and the assessment roll. According to Section 372.013 of the PID Act, a service plan "must cover a period of at least five years and must also define the annual indebtedness and the projected costs for improvements. The plan shall be reviewed and updated annually for the purpose of determining the annual budget for improvements." The service plan is described in Section IV of this Service and Assessment Plan.

Section 372.014 of the PID Act requires that "an assessment plan must be included in the annual service plan." The assessment plan is described in Section V of this Service and Assessment Plan.

Section 372.015 of the PID Act requires that "the governing body of the municipality or county shall apportion the cost of an improvement to be assessed against property in an improvement district." The method of assessing the costs of the Authorized Improvements and apportionment of such costs to the property in the PID is included in Section V of this Service and Assessment Plan.

Section 372.016 of the PID Act requires that "after the total cost of an improvement is determined, the governing body of the municipality or county shall prepare a proposed assessment roll. The roll must state the assessment against each parcel of land in the district, as determined by the method of assessment chosen by the municipality or county under this subchapter." The Assessment Rolls for the PID are included as Appendix E and Appendix F of this Service and Assessment Plan. The Assessments as shown on each Assessment Roll are based on the method of assessment and apportionment of costs described in Section V of this Service and Assessment Plan.

B. Definitions

Capitalized terms used herein shall have the meanings ascribed to them as follows:

"**Actual Cost(s)**" means, with respect to an Authorized Improvement, the demonstrated, reasonable, allocable, and allowable costs of constructing such Authorized Improvement, as specified in a Certification for Payment that has been reviewed and approved by the City. Actual Cost may include (a) the costs for the design, planning, financing, administration, management, acquisition, installation, construction and/or implementation of such Authorized Improvement, including general contractor construction management fees, if any, (b) the costs of preparing the construction plans for such Authorized Improvement, (c) the fees paid for obtaining permits, licenses or other governmental approvals for such Authorized Improvement, (d) the costs for external professional costs associated with such Authorized Improvement, such as engineering, geotechnical, surveying, land planning, architectural landscapers, advertising, marketing and research studies, appraisals, legal, accounting and similar professional services, taxes (property and franchise) (e) the costs of all labor, bonds and materials, including equipment and fixtures, incurred by contractors, builders and material men in connection with the acquisition, construction or implementation of the Authorized Improvements, (f) all related permitting, zoning and public approval expenses, architectural, engineering, legal, and consulting fees, financing charges, taxes, governmental fees and charges (including inspection fees, City permit fees, development fees), insurance premiums, miscellaneous expenses, and all advances and payments for Administrative Expenses.

Actual Costs include general contractor's fees in an amount up to a percentage equal to the percentage of work completed and accepted by the City or construction management fees in an amount up to five percent of the eligible Actual Costs described in a Certification for Payment. The amounts expended on legal costs, taxes, governmental fees, insurance premiums, permits, financing costs, and appraisals shall be excluded from the base upon which the general contractor and construction management fees are calculated.

"Administrator" means the employee or designee of the City, identified in any indenture of trust relating to any Bonds or in any other agreement approved by the City Council, who shall have the responsibilities provided for herein.

"Administrative Expenses" mean the administrative, organization, maintenance and operation costs associated with, or incident to, the administration, organization, maintenance and operation of the PID, including, but not limited to, the costs of: (i) creating and organizing the PID, including conducting hearings, preparing notices and petitions, and all costs incident thereto, including engineering fees, legal fees and consultant fees, (ii) the annual administrative, organization, maintenance, and operation costs and expenses associated with, or incident and allocable to, the administration, organization, and operation of the PID, (iii) computing, levying, billing and collecting Assessments or the Annual Installments thereof, (iv) maintaining the record of installments of the Assessments and the system of registration and transfer of the Bonds, (v) paying and redeeming the Bonds, (vi) investing or depositing of monies, (vii) complying with the PID Act and other laws applicable to the Bonds, (viii) the Trustee fees and expenses relating to

the Bonds, including reasonable fees, (ix) legal counsel, engineers, accountants, financial advisors, investment bankers or other consultants and advisors, and (x) administering the construction of the Authorized Improvements. Administrative Expenses do not include payment of the actual principal of, redemption premium, if any, and interest on the Bonds. Administrative Expenses collected and not expended for actual Administrative Expenses in one year shall be carried forward and applied to reduce Administrative Expenses in subsequent years to avoid the over-collection of amounts to pay Administrative Expenses.

"Annual Installment" means, with respect to each Parcel, each annual payment of: (i) the Assessments, including any applicable interest, as shown on the Assessment Roll attached hereto as Appendix E and Appendix F, as applicable, or in an Annual Service Plan Update, and calculated as provided in Section VI of this Service and Assessment Plan, and (ii) Administrative Expenses.

"Annual Service Plan Update" has the meaning set forth in the second paragraph of Section IV of this Service and Assessment Plan.

"Assessed Property" means the property that benefits from the Authorized Improvements to be provided by the PID on which Assessments have been imposed as shown in each Assessment Roll, as each Assessment Roll is updated each year by the Annual Service Plan Update. Assessed Property includes Parcels within the PID other than Non-Benefited Property.

"Assessment" means an assessment levied against a Parcel imposed pursuant to an Assessment Ordinance and the provisions herein, as shown on any Assessment Roll, subject to reallocation upon the subdivision of such Parcel or reduction according to the provisions herein and the PID Act. An Assessment for a Parcel consists of the Annual Installments to be collected in all years including the portion of those Annual Installments collected to pay Administrative Expenses and interest on all Assessments.

"Assessment Ordinance" means an Assessment Ordinance adopted by the City Council approving the Service and Assessment Plan (including amendments or supplements to the Service and Assessment Plan) and levying the Assessments.

"Assessment Revenues" mean the revenues actually received by or on behalf of the City from the collection of Assessments.

"Assessment Roll" means the Phase #1 Assessment Roll or any other Assessment Roll in an amendment or supplement to this Service and Assessment Plan or in an Annual Service Plan Update.

"Authorized Improvements" mean those public improvements described in Appendix B-1 of this Service and Assessment Plan and Section 372.003 of the PID Act, constructed and installed in accordance with this Service and Assessment Plan, and any future updates and/or amendments.

"Bonds" mean bonds, if any, issued in one or more series for financing the Authorized Improvements and secured in whole or in part by the Assessment Revenues.

"Certification for Payment" means the certificate to be provided by the Developer, or his designee, to substantiate the Actual Cost of one or more Authorized Improvements.

"City" means the City of Sherman, Texas.

"City Council" means the duly elected governing body of the City.

"**Delinquent Collection Costs"** mean interest, penalties and expenses incurred or imposed with respect to any delinquent installment of an Assessment in accordance with the PID Act and the costs related to pursuing collection of a delinquent Assessment and foreclosing the lien against the Assessed Property, including attorney's fees.

"Development Agreement" means that certain "Bel Air Village Master Development Agreement" by and between the City and the Developer, a Texas limited liability company, and related to the development of the Property effective December 18, 2020, as the same may be amended from time to time.

"Developer" means Bel Air Village SFR, LLC.

"**Future Phases**" means Phases that are fully developed after Phase #1, as such areas are generally depicted in Appendix A. The Future Phases are subject to adjustment and are shown for example only.

"Homeowner Association" means a homeowner's association or property owners' association established for the benefit of property owners within the boundaries of the PID.

"Homeowner Association Property" means property within the boundaries of the PID that is owned by or irrevocably offered for dedication to, whether in fee simple or through an exclusive use easement, a homeowner's association.

"Lot" means a tract of land described as a "lot" in a subdivision plat recorded in the official public records of Grayson County, Texas.

"Lot Type" means a classification of final building lots with similar characteristics (e.g. commercial, light industrial, multifamily residential, single family residential, etc.), as determined by the Administrator and confirmed by the City Council. In the case of single family residential lots, the Lot Type shall be further defined by classifying the residential lots by the estimated average home value for each home at the time of assessment levy (as shown in Appendix D for the calculation of Equivalent Units), considering factors such as density, lot size, proximity to amenities, view premiums, location, and any other factors that may impact the average home value on the lot, as determined by the Administrator and confirmed by the City Council.

"Major Improvements" or "MI" mean the Authorized Improvements which benefit all Assessed Property within the PID and are described in Section III.B.

"Non-Benefited Property" means Parcels that accrue no special benefit from the Authorized Improvements, including Homeowner Association Property, Public Property and easements that create an exclusive use for a public utility provider to the extent they accrue no special benefit. Property identified as Non-Benefited Property at the time the Assessments (i) are imposed or (ii) are reallocated pursuant to a subdivision of a Parcel, is not assessed. Assessed Property converted to Non-Benefited Property, if the Assessments may not be reallocated pursuant to the provisions herein, remains subject to the Assessments and requires the Assessments to be prepaid as provided for in Section VI.E.

"Parcel" or **"Parcels"** means a parcel or parcels within the PID identified by either a tax map identification number assigned by the Grayson Central Appraisal District for real property tax purposes or by lot and block number in a final subdivision plat recorded in the real property records of Grayson County.

"Phase" means one or more Parcels within the PID that will be developed in the same general time period. The Parcels within a Phase will be assessed in connection with the execution of a reimbursement agreement and/or issuance of Bonds for Authorized Improvements (or the portion thereof) designated in an update to this Service and Assessment Plan that specially benefit the Parcels within the Phase.

"Phase #1" means the initial Phase to be developed and generally shown in Appendix A, as specifically depicted and described as the sum of all Parcels shown in Appendix E.

"**Phase #1 Assessed Property**" means all Parcels within Phase #1 other than Non-Benefited Property and shown in the Phase #1 Assessment Roll against which an Assessment relating to the Phase #1 Projects is levied.

"**Phase #1 Assessment Revenues**" mean the actual revenues received by or on behalf of the City from the collection of Assessments levied against Phase #1 Assessed Property, or the Annual Installments thereof, for the Phase #1 Projects.

"Phase #1 Assessment Roll" means the document included in this Service and Assessment Plan as Appendix F**,** as updated, modified or amended from time to time in accordance with the procedures set forth herein and in the PID Act, including updates prepared in connection with any Annual Service Plan Update.

"**Phase #1 Projects**" mean (i) the pro rata portion of the Major Improvements allocable to Phase #1, and (ii) the Phase #1 Improvements.

"**Phase #1 Improvements**" mean the Authorized Improvements which only benefit Phase #1 Assessed Property, which are described in Section III.C.

"Phase #1 Reimbursement Agreement" means that certain Bel Air Village Public Improvement District Phase #1 Reimbursement Agreement expected to be dated by and between the City and

the Developer in which the Developer agrees to fund certain Actual Costs of Authorized Improvements and the City agrees to reimburse the Developer for a portion of such Actual Costs funded by the Developer with interest as permitted by the PID Act.

"PID" has the meaning set forth in Section I.A of this Service and Assessment Plan.

"PID Act" means Texas Local Government Code Chapter 372, Public Improvement District Assessment Act, Subchapter A, Public Improvement Districts, as amended.

"**Prepayment Costs**" mean interest and expenses to the date of prepayment, plus any additional expenses related to the prepayment, reasonably expected to be incurred by or imposed upon the City as a result of any prepayment of an Assessment.

"Public Property" means property within the boundaries of the PID that is owned by or irrevocably offered for dedication to the federal government, the State of Texas, Grayson County, the City, a school district or any other public agency, whether in fee simple or through an exclusive use easement.

"Service and Assessment Plan" means this Service and Assessment Plan prepared for the PID pursuant to the PID Act, as the same may be amended from time to time.

(remainder of this page is intentionally left blank)

II. PROPERTY INCLUDED IN THE PID

A. PROPERTY INCLUDED IN THE PID

The PID is presently located within the City and contains approximately 278.38 acres of land. A map of the property within the PID is shown on Appendix A to this Service and Assessment Plan.

At completion, the PID is expected to consist of approximately 945 single family residential units, landscaping, and infrastructure necessary to provide roadways, drainage, and utilities to the PID. The estimated number of units (945) is based upon the proposed development plan.

The property within the PID is proposed to be developed as follows:

Table II-A
Proposed Development

Lot Type	Phase #1	Future Phases[1]	Total
25 Ft	98	89	187
30 Ft	0	79	79
40 Ft	124	136	260
50 Ft	105	245	350
60 Ft	0	69	69
Total	**327**	**618**	**945**

[1]Proposed development for Future Phases. Subject to change as Future Phases are developed.

B. PROPERTY INCLUDED IN PHASE #1

Phase #1 consists of approximately 58.53 acres and is projected to consist of 327 single family residential units, to be developed as Phase #1, as further described in Section III. A map of the property within the PID is shown in Appendix A.

C. PROPERTY INCLUDED IN FUTURE PHASES

As Future Phases are developed, this Service and Assessment Plan will be updated to add additional details of each new Phase(s) as shown for Phase #1 in Section II.B. A map of the projected property within each Future Phase is shown in Appendix A. The Future Phases are shown for illustrative purposes only and are subject to adjustment. The current Parcels in the PID are shown on the Assessment Rolls included as Appendix E and Appendix F.

The estimated number of units at the build-out of the PID is based on the land use approvals for the property, the anticipated subdivision of property in the PID, and the Developer's estimate of the highest and best use of the property within the PID.

III. DESCRIPTION OF THE AUTHORIZED IMPROVEMENTS

A. AUTHORIZED IMPROVEMENT OVERVIEW

372.003. Authorized Improvements

(a) If the governing body of a municipality or county finds that it promotes the interests of the municipality or county, the governing body may undertake an improvement project that confers a special benefit on a definable part of the municipality or county or the municipality's extraterritorial jurisdiction. A project may be undertaken in the municipality or county or the municipality's extraterritorial jurisdiction.

(b) A public improvement may include:

(i) landscaping;

(ii) erection of fountains, distinctive lighting, and signs;

(iii) acquiring, constructing, improving, widening, narrowing, closing, or rerouting of sidewalks or of streets, any other roadways, or their rights-of way;

(iv) construction or improvement of pedestrian malls;

(v) acquisition and installation of pieces of art;

(vi) acquisition, construction, or improvement of libraries;

(vii) acquisition, construction, or improvement of off-street parking facilities;

(viii) acquisition, construction, improvement, or rerouting of mass transportation facilities;

(ix) acquisition, construction, or improvement of water, wastewater, or drainage facilities or improvements;

(x) the establishment or improvement of parks;

(xi) projects similar to those listed in Subdivisions (i)-(x);

(xii) acquisition, by purchase or otherwise, of real property in connection with an authorized improvement;

(xiii) special supplemental services for improvement and promotion of the district, including services relating to advertising, promotion, health and sanitation, water and wastewater, public safety, security, business recruitment, development, recreation, and cultural enhancement;

(xiv) payment of expenses incurred in the establishment, administration and operation of the district; and

(xv) the development, rehabilitation, or expansion of affordable housing

After analyzing the public improvement projects authorized by the PID Act, the City has determined at this time to undertake only Authorized Improvements listed in Section III.B and III.C below and shown in the opinion of probable costs included as Appendix B-1 and on the Diagrams shown in Appendix C for the benefit of the Assessed Property. Any change to the list of Authorized Improvements will require the approval of the City and an update to this Service and Assessment Plan.

B. DESCRIPTIONS AND COSTS OF MAJOR IMPROVEMENTS

The Major Improvements benefit the entire PID. The costs of the Major Improvements are allocated proportionally throughout the entire PID, excluding Non-Benefited Property, in a manner that anticipates planned development of the PID based on the type of development and anticipated number of lots. The costs of the Major improvements are shown in Table III-A.

The Major Improvements descriptions are presented below as provided by the project engineer. The costs shown in Table III-A are estimates and may be revised in Annual Service Plan Updates, including such other improvements as deemed necessary to further improve the properties within the PID.

A description of the Major Improvements follows:

Roadway Improvements

The roadway improvement portion of the Major Improvements consists of the construction of entrance road improvements, including related grading, paving, drainage, curbs, gutters, sidewalks, retaining walls, erosion control, signage, street lighting, and traffic control devices, which benefit the Assessed Property. All roadway projects will be designed and constructed in accordance with City standards and specifications and will be owned and operated by the City.

Water Improvements

The water improvement portion of the Major Improvements consists of construction and installation of waterlines, mains, pipes, valves, and appurtenances, necessary for the water distribution system that will service the Assessed Property. The water improvements will be designed and constructed according to City standards and specifications and will be owned and operated by the City.

Sanitary Sewer Improvements

The sanitary sewer improvement portion of the Major Improvements consists of construction and installation of pipes, service lines, manholes, encasements, and appurtenances necessary to provide sanitary sewer service to the Assessed Property. The sanitary sewer improvements will be designed and constructed according to City standards and specifications and will be owned and operated by the City.

Storm Drainage Improvements

The storm drainage improvement portion of the Major Improvements consist of reinforced concrete pipes, reinforced concrete boxes, and multi-reinforced box culverts, which benefit the Assessed Property. The storm drainage collection system improvements will be designed and constructed in accordance with City standards and specifications and will be owned and operated by the City.

Landscaping and Hardscaping

The landscaping improvement portion of the Major Improvements consists of landscaping, irrigation, and hardscaping.

Table III-A
Estimated Major Improvement Costs

Authorized Improvements	Total Major Improvement Costs	Phase #1 Allocated Amount[1]	Future Phases Allocated Amount [1]
Roadway Improvements	$294,648	$41,570	$253,078
Water Improvements	$337,501	$16,016	$321,485
Sanitary Sewer Improvements	$642,793	$158,699	$484,094
Storm Drainage Improvements	$744,938	$345,798	$399,140
Landscaping and Hardscaping	$452,500	$452,500	$0
Other Soft and Miscellaneous Costs	$1,399,460	$471,868	$927,592
Total Authorized Improvements	**$3,871,840**	**$1,486,451**	**$2,385,389**

Note: Costs provided by Kimley-Horn. The figures shown in Table III-A may be revised in Annual Service Plan Updates and may be reallocated between line items so long as the Total Authorized Improvements amount does not change.
1 - The Major Improvements are allocated between the property within Phase #1 and the Future Phases based on the engineering allocations described in Appendix B-2 as summarized in Table V-A.

C. DESCRIPTIONS AND COSTS OF PHASE #1 IMPROVEMENTS

The Phase #1 Improvements descriptions are presented below as provided by the project engineer. The Phase #1 Projects include Phase #1's share of the costs of the Major Improvements and the costs of the Phase #1 Improvements. The costs of the Phase #1 Projects are shown in Table III-B. The costs shown in Table III-B are estimates and may be revised in Annual Service Plan Updates, including such other improvements as deemed necessary to further improve the properties within the PID.

A description of the Phase #1 Improvements are as follows, and a description of the Major Improvements that are a portion of the Phase #1 Projects can be found in Section III-B above.

Road Improvements

The road improvement portion of the Phase #1 Improvements consists of the construction of road and thoroughfare improvements, including related grading, paving, drainage, curbs, gutters, sidewalks, retaining walls, erosion control, signage, street lighting, and traffic control devices, which benefit the Phase #1 Assessed Property. All roadway projects will be designed and constructed in accordance with City standards and specifications and will be owned and operated by the City.

Water Improvements

The water improvements portion of the Phase #1 Improvements consists of construction and installation of a looped water main network, waterlines, mains, pipes, valves and appurtenances, necessary for the portion of the water distribution system that will service the Phase #1 Assessed Property. The water improvements will be designed and constructed according to City standards and will be owned and operated by the City.

Sanitary Sewer Improvements

The sanitary sewer improvement portion of the Phase #1 Improvements consists of construction and installation of pipes, service lines, manholes, encasements, and appurtenances necessary to provide sanitary sewer service to Phase #1 Assessed Property. The sanitary sewer improvements will be designed and constructed according to City standards and specifications and will be owned and operated by the City.

Storm Drainage Improvements

The storm drainage improvement portion of the Phase #1 Improvements consist of reinforced concrete pipes, reinforced concrete boxes, and multi-reinforced box culverts, which benefit the Phase #1 Assessed Property. The storm drainage collection system improvements will be designed and constructed in accordance with City standards and specifications and will be owned and operated by the City.

Landscaping and Hardscaping

The landscaping improvement portion of the Phase #1 Improvements consists of landscaping, irrigation, and hardscaping.

Table III-B
Estimated Phase #1 Projects Costs

Authorized Improvements	Share of Major Improvements	Phase #1 Improvement Costs	Total
Roadway Improvements	$41,570	$2,126,609	$2,168,179
Water Improvements	$16,016	$713,377	$729,393
Sanitary Sewer Improvements	$158,699	$863,168	$1,021,867
Storm Drainage Improvements	$345,798	$2,076,534	$2,422,332
Landscaping and Hardscaping	$452,500	$188,947	$641,447
Other Soft and Miscellaneous Costs	$471,868	$1,604,968	$2,076,836
Total Authorized Improvements	**$1,486,451**	**$7,573,603**	**$9,060,054**

Note: Costs provided by Kimley-Horn. The figures shown in Table III-A may be revised in Annual Service Plan Updates and may be reallocated between line items so long as the Total Authorized Improvements amount does not change.
1 - The Major Improvements are allocated between the property within Phase #1 and the Future Phases based on the engineering allocations described in Appendix B-2 as summarized in Table V-A.

D. FUTURE PHASES

As Future Phases are developed, in association with execution of a reimbursement agreement and/or issuance of Bonds for such Future Phase, this SAP will be amended to identify the specific Authorized Improvements that confer a special benefit to the property inside each Future Phase (e.g., a Table III-C will be added to show the costs for the specific Authorized Improvements financed within the specific Future Phase being developed.)

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IV. SERVICE PLAN

A. SOURCES AND USES OF FUNDS

The PID Act requires the service plan to cover a period of at least five years. The service plan is required to define the annual projected costs and indebtedness for the Authorized Improvements undertaken within the PID during the five-year period. It is anticipated that it will take approximately 12 months to construct the Major Improvements and approximately 12 months for the Phase #1 Projects to be constructed.

The Actual Costs for Phase #1 Projects are $9,060,054 as shown in Table IV-A. The service plan shall be reviewed and updated at least annually for the purpose of determining the annual budget for Administrative Expenses, updating the estimated Authorized Improvement costs, and updating the Assessment Roll(s). Any update to this Service and Assessment Plan is herein referred to as an "Annual Service Plan Update."

As Future Phases are developed in connection with the execution of a reimbursement agreement and/or issuance of Bonds, this Service and Assessment Plan will be amended (e.g., Table IV-B will be added for phase #2, etc.).

The Phase #1 Reimbursement Agreement shown in Table IV-A is anticipated to be executed in 2021 and will be used to reimburse the Developer for a portion of the costs of the Phase #1 Projects.

Table IV-A
Estimated Sources and Uses – Phase #1

Sources of Funds	**Phase #1 Reimbursement Agreement**
Assessments	$7,168,000
Other funding sources	$1,892,054
Total Sources	**$9,060,054**
Uses of Funds	
Major Improvements:	
Roadway Improvements	$2,168,179
Water Improvements	$729,393
Sanitary Sewer Improvements	$1,021,867
Storm Drainage Improvements	$2,422,332
Landscaping and Hardscaping	$641,447
Other Soft and Miscellaneous Costs	$2,076,836
Subtotal	*$9,060,054*
Total Uses	**$9,060,054**

The annual projected costs and annual projected indebtedness is shown by Table IV-B. The annual projected costs and indebtedness is subject to revision and each shall be updated in the Annual Service Plan Update to reflect any changes in the costs or indebtedness expected for each year.

Table IV-B
Annual Projected Costs and Annual Projected Indebtedness

Year Ending September 1	Annual Projected Cost	Annual Projected Indebtedness	Other Funding Sources	Projected Phase #1 Annual Installments
2021	$9,060,054	$7,168,000	$1,892,054	$0
2022	$0	$0	$0	$634,069
2023	$0	$0	$0	$638,456
2024	$0	$0	$0	$642,242
2025	$0	$0	$0	$647,428
2026	$0	$0	$0	$652,860
Total	**$9,060,054**	**$7,168,000**	**$1,892,054**	**$3,215,054**

The annual projected costs shown in Table IV-B are the annual expenditures relating to the Phase #1 Projects shown in Table III-B. The difference between the total projected cost and the total projected indebtedness, if any, is the amount contributed by the Developer. As Future Phases are developed, in association with the execution of a reimbursement agreement and/or issuance of Bonds for each Future Phase, this Table IV-B will be updated to identify the Authorized Improvements of each new phase and the projected indebtedness resulting from each additional reimbursement agreement and/or issuance of Bonds.

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V. ASSESSMENT PLAN

A. INTRODUCTION

The PID Act requires the City Council to apportion the costs of the Authorized Improvements on the basis of special benefits conferred upon the property because of the Authorized Improvements. The PID Act provides that the costs of the Authorized Improvements may be assessed: (i) equally per front foot or square foot; (ii) according to the value of the property as determined by the governing body, with or without regard to improvements on the property; or (iii) in any other manner that results in imposing equal shares of the cost on property similarly benefited. The PID Act further provides that the governing body may establish by ordinance or order reasonable classifications and formulas for the apportionment of the cost between the municipality and the area to be assessed and the methods of assessing the special benefits for various classes of improvements.

For purposes of this Service and Assessment Plan, the City Council has determined that the costs of the Phase #1 Projects shall be allocated as described below:

1. The Major Improvement costs are proportionally allocated to the Phase #1 and the Future Phases based on allocation of costs provided by the project engineer and attached herein as Appendix B-2.

2. The costs of the Phase #1 Projects (including a proportional share of the Major Improvements) that only benefit Phase #1 shall be allocated on the basis of Equivalent Units calculated using the average home price of each Lot Type once such property is developed, and that such method of allocation will result in the imposition of equal shares of the costs of such Authorized Improvements of Phase #1 Assessed Property to Parcels similarly benefited.

3. As Future Phases are developed, the proportional share of the Major Improvements currently allocated to the Future Phases will further be reallocated to each individual Phase to be developed in the future in the same manner as the allocations to Phase #1 so that the method of reallocation will result in the imposition of equal shares of the costs of such Major Improvements to Parcels within each of the future phases similarly benefited.

Table V-A provides a summary of the allocation of costs of the Authorized Improvements constituting Major Improvements as provided by the project engineer.

At this time, it is impossible to determine with absolute certainty the amount of special benefit each Parcel within Future Phases will receive from the direct Authorized Improvements that will benefit each individual phase. Therefore, Parcels will only be assessed for the special benefits conferred upon the Parcel at this time because of the Major Improvements and Phase #1 Improvements, as applicable.

This section of this Service and Assessment Plan currently (i) describes the special benefit received by each Parcel within Phase #1 as a result of the Phase #1 Projects, as applicable, (ii) provides the basis and justification for the determination that this special benefit exceeds the amount of the Assessments to be levied on the Phase #1 Assessed Property for such improvements, and (iii) establishes the methodologies by which the City Council allocates and reallocates the special benefit of the Phase #1 Projects, as applicable, to Parcels in a manner that results in equal shares of the Actual Costs of such improvements being apportioned to Parcels similarly benefited. The determination by the City Council of the assessment methodologies set forth below is the result of the discretionary exercise by the City Council of its legislative authority and governmental powers and is conclusive and binding on the Developer and all future owners and developers of the Assessed Property.

As Future Phases are developed, in connection with execution of a reimbursement agreement and/or issuance of Bonds, this Service and Assessment Plan will be updated based on the City's determination of the assessment methodology for each Future Phase.

B. SPECIAL BENEFIT

Assessed Property must receive a direct and special benefit from the Authorized Improvements, and this benefit must be equal to or greater than the amount of the Assessments. The Authorized Improvements are provided specifically for the benefit of the Assessed Property. The Authorized Improvements (more particularly described in line-item format in Appendix B-1 to this Service and Assessment Plan) are authorized by the PID Act. These Authorized Improvements are provided specifically for the benefit of the Assessed Property.

Each owner of the Assessed Property has acknowledged that the Authorized Improvements confer a special benefit on the Assessed Property and has consented to the imposition of the Assessments to pay for the Actual Costs associated therewith. Each of the owners is acting in its interest in consenting to this apportionment and levying of the Assessments because the special benefit conferred upon the Assessed Property by the Authorized Improvements exceeds the amount of the Assessments.

The Authorized Improvements provide a special benefit to the Assessed Property as a result of the close proximity of these improvements to the Assessed Property and the specific purpose of these improvements of providing infrastructure for the Assessed Property. In other words, the Assessed Property could not be used in the manner proposed without the construction of the Authorized Improvements. The Authorized Improvements are being provided specifically to meet the needs of the Assessed Property as required for the proposed use of the property.

The Assessments are being levied to provide the Authorized Improvements that are required for the highest and best use of the Assessed Property (i.e., the use of the property that is most valuable, including any costs associated with that use). Highest and best use can be defined as "the reasonably probable and legal use of property, which is physically possible, appropriately supported, financially feasible, and that results in the highest value." (*Dictionary of Real Estate Appraisal, Third Edition*.) The Authorized Improvements are expected to be required for the

proposed use of the Assessed Property to be physically possible, appropriately supported, financially feasible, and maximally productive.

The Developer has evaluated the potential use of the property and has determined that the highest and best use of the property is the use intended and the legal use for the property as described in Section II of this Service and Assessment Plan. The use of the Assessed Property as described herein will require the construction of the Authorized Improvements.

Each owner of the Assessed Property will ratify, confirm, accept, agree to and approve: (i) the determinations and finding by the City Council as to the special benefits described in this Service and Assessment Plan and the Assessment Ordinance; (ii) the Service and Assessment Plan and the Assessment Ordinance, and (iii) the levying of Assessments on the Assessed Property. Use of the Assessed Property as described in this Service and Assessment Plan and as authorized by the PID Act requires that Authorized Improvements be acquired, constructed, installed, and/or improved. Funding the Actual Costs of the Authorized Improvements through the PID has been determined by the City Council to be the most beneficial means of doing so. As a result, the Authorized Improvements result in a special benefit to the Assessed Property, and this special benefit exceeds the amount of the Assessment. This conclusion is based on and supported by the evidence, information, and testimony provided to the City Council.

In summary, the Authorized Improvements result in a special benefit to the Assessed Property for the following reasons:

1. The Authorized Improvements are being provided specifically for the use of the Assessed Property, are necessary for the proposed best use of the property and provide a special benefit to the Assessed Property as a result;

2. The Developer has consented to the imposition of the Assessments for the purpose of providing the Authorized Improvements and the Developer is acting in its interest by consenting to this imposition;

3. The Authorized Improvements are required for the highest and best use of the property;

4. The highest and best use of the Assessed Property is the use of the Assessed Property that is most valuable (including any costs associated with the use of the Assessed Property);

5. Financing of the costs of the Authorized Improvement through the PID is determined to be the most beneficial means of providing for the Authorized Improvements; and,

6. As a result, the special benefits to the Assessed Property from the Authorized Improvements will be equal to or greater than the Assessments.

C. ALLOCATION OF COSTS TO ASSESSED PROPERTY

The Major Improvements will provide a special benefit to all property in the PID. Accordingly, the estimated Major Improvement costs must be allocated throughout all Assessed Property in the

PID. Table V-A summarizes the allocation of Actual Costs for each type of Major Improvement. The costs shown in Table V-A are estimates and may be revised in Annual Service Plan Updates, but the related Assessment may not be increased.

Table V-A
Allocation of Major Improvement Costs

Authorized Improvement	Major Improvement Costs	Phase #1 Percent Allocation	Major Improvements Allocated to Phase #1	Future Phases Percent Allocation	Major Improvements Allocated to Future Phases
Roadway Improvements	$294,648	14.11%	$41,570	85.89%	$253,078
Water Improvements	$337,501	4.75%	$16,016	95.25%	$321,485
Sanitary Sewer Improvements	$642,793	24.69%	$158,699	75.31%	$484,094
Storm Drainage Improvements	$744,938	46.42%	$345,798	53.58%	$399,140
Landscaping and Hardscaping	$452,500	100.00%	$452,500	0.00%	$0
Other Soft and Miscellaneous Costs	$1,399,460	33.72%	$471,868	66.28%	$927,592
Total Major Improvements	**$3,871,840**		**$1,486,451**		**$2,385,389**

See appendix B-2 for detailed descriptions and calculations of the allocations as provided by the project engineer.

D. ASSESSMENT METHODOLOGY

The costs of the Authorized Improvements may be assessed by the City Council against the Assessed Property so long as the special benefit conferred upon the Assessed Property by the Authorized Improvements equals or exceeds the Assessments. The costs of the Authorized Improvements may be assessed using any methodology that results in the imposition of equal shares of the Actual Costs on Assessed Property similarly benefited.

2. Assessment Methodology for Phase #1

For purpose of this Service and Assessment Plan, the City Council has determined that the Actual Costs of the Phase #1 Projects shall be allocated to the Phase #1 Assessed Property by spreading the entire Assessment across the Parcels based on the estimated number of units anticipated to be developed on each Parcel within Phase #1.

Based on the estimates of the costs of the Phase #1 Projects, as set forth in Table III-B, the City Council has determined that the benefit to Phase #1 Assessed Property of the Phase #1 Projects is at least equal to the Assessments levied on the Phase #1 Assessed Property.

Upon subsequent divisions of any Parcel, the Assessment applicable to it will then be apportioned pro rata based on the estimated equivalent units of each newly created Parcel. For residential Lots, when final residential building sites are platted, Assessments will be apportioned proportionately among each Parcel based on the ratio of the estimated number of units at the time residential Lots

are platted to the total estimated number of all Lots in the platted Parcel, as determined by the Administrator and confirmed by the City Council.

The Assessment and Annual Installments for each Parcel or Lot located within Phase #1 is shown on the Phase #1 Assessment Roll, attached as Appendix F, and no Assessment shall be changed except as authorized by this Service and Assessment Plan or the PID Act.

3. Assessment Methodology for Future Phases

When any given Future Phase is developed, and reimbursement agreement executed for that Future Phase and/or issuance of Bonds, this Service and Assessment Plan will be amended to determine the assessment methodology that results in the imposition of equal shares of the Actual Costs on Assessed Property similarly benefited within that Phase.

E. ASSESSMENTS

The Assessments for the Phase #1 Reimbursement Agreement will be levied on each Parcel or Lot according to the Phase #1 Assessment Roll, as applicable. The Annual Installments for the Phase #1 Reimbursement Agreement will be collected on the dates and in the amounts shown on the Phase #1 Assessment Roll, respectively, subject to revisions made during an Annual Service Plan Update. Non-Benefited Property will not be subject to any Assessments.

See Appendix D for Assessment per equivalent unit, leverage, and estimated tax rate equivalent calculation details.

F. ADMINISTRATIVE EXPENSES

The cost of administering the PID and collecting the Annual Installments shall be paid for on a pro rata basis by each Parcel based on the amount of Assessment levied against the Parcel. The Administrative Expenses shall be collected as part of and in the same manner as Annual Installments in the amounts shown on each Assessment Roll, which may be revised based on actual costs incurred in Annual Service Plan Updates.

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VI. TERMS OF THE ASSESSMENTS

A. AMOUNT OF ASSESSMENTS AND ANNUAL INSTALLMENTS FOR PARCELS LOCATED WITHIN PHASE #1

The Assessment and Annual Installments for each Assessed Property located within Phase #1 is shown on the Phase #1 Assessment Roll, attached as Appendix E, and no Assessment shall be changed except as authorized by this Service and Assessment Plan and the PID Act.

The Annual Installments shall be collected from Phase #1 Assessed Property in an amount sufficient to pay (i) principal and interest on the Phase #1 Reimbursement Agreement, and (ii) to pay Administrative Expenses related to the PID. The Annual Installment for each Parcel shall be calculated by taking into consideration any available funds to reduce the Annual Installments.

B. AMOUNT OF ASSESSMENTS AND ANNUAL INSTALLMENTS FOR PARCELS LOCATED WITHIN FUTURE PHASES

As Future Phases are developed, this Service and Assessment Plan will be amended to determine the Assessment and Annual Installments for each Assessed Property located within Future Phases (e.g., an Appendix will be added as the Assessment Roll for phase #2, etc.). The Assessments shall not exceed the benefit received by the Assessed Property.

C. REALLOCATION OF ASSESSMENTS

1. Subdivision

Upon the subdivision of any Parcel, the Assessment for the Parcel prior to the subdivision shall be reallocated among the new subdivided Parcels according to the following formula:

$$A = B \times (C \div D)$$

Where the terms have the following meanings:

A = the Assessment for each new subdivided Parcel
B = the Assessment for the Parcel prior to subdivision
C = the estimated Equivalent Units to be built on each new subdivided Parcel
D = the sum of the estimated Equivalent Units to be built on all of the new subdivided Parcels

The calculation of the estimated number of units to be built on a Parcel shall be performed by the Administrator and confirmed by the City Council based on the information available regarding the use of the Parcel. The estimate as confirmed shall be conclusive. The number of units to be built on a Parcel may be estimated by net land area and reasonable density ratios.

The sum of the Assessments for all newly subdivided Parcels shall equal the Assessment for the Parcel prior to subdivision. The calculation shall be made separately for each newly subdivided Parcel. The reallocation of an Assessment for a Parcel that is a homestead under Texas law may not exceed the Assessment prior to the reallocation and to the extent the reallocation would exceed such amount, it shall be prepaid by such amount by the party requesting the subdivision of the Parcels. Any reallocation pursuant to this section shall be reflected in an Annual Service Plan Update approved by the City Council.

2. Consolidation

Upon the consolidation of two or more Parcels, the Assessment for the consolidated Parcel shall be the sum of the Assessments for the Parcels prior to consolidation. The reallocation of an Assessment for a Parcel that is a homestead under Texas law may not exceed the Assessment prior to the reallocation and to the extent the reallocation would exceed such amount, it shall be prepaid by such amount by the party requesting the consolidation of the Parcels. Any reallocation pursuant to this section shall be reflected in an Annual Service Plan Update approved by the City Council.

D. MANDATORY PREPAYMENT OF ASSESSMENTS

1. If a Parcel subject to Assessments is transferred to a party that is exempt from the payment of the Assessment under applicable law, or if an owner causes a Parcel subject to Assessments to become Non-Benefited Property, the owner of such Parcel shall pay to the City the full amount of the principal portion of the Assessment on such Parcel, plus all Prepayment Costs, prior to any such transfer or act.

2. If at any time the Assessment per Unit on a Parcel exceeds the Assessment per Unit calculated in this Service and Assessment Plan as a result of any changes in land use, subdivision, consolidation or reallocation of the Assessment authorized by this Service and Assessment Plan and initiated by the owner of the Parcel, then such owner shall pay to the City prior to the recordation of the document subdividing the Parcel the amount calculated by the Administrator by which the Assessment per Unit for the Parcel exceeds the Assessment per Unit calculated in this Service and Assessment Plan.

3. The payments required above shall be treated the same as any Assessment that is due and owing under the PID Act, the Assessment Ordinance, and this Service and Assessment Plan, including the same lien priority, penalties, procedures, and foreclosure specified by the PID Act.

E. REDUCTION OF ASSESSMENTS

1. If after all Authorized Improvements to be funded with the reimbursement agreements have been completed, including any additional Authorized Improvements described herein, and Actual Costs for such Authorized Improvements are less than the Actual Costs used to calculate the Assessments securing such reimbursement obligations, then the Assessment securing such reimbursement obligations for each Parcel of Assessed Property shall be reduced by the City Council pro rata such that the sum of the resulting reduced Assessments for all Assessed Properties equals the actual reduced Actual Costs. The Assessments shall not be reduced to an amount less

than the outstanding reimbursement obligations. If all of the Authorized Improvements are not completed, the City may reduce the Assessments in another method if it determines such method would better reflect the benefit received by the Parcels from the Authorized Improvements completed.

2. If the Authorized Improvements to be funded with the respective reimbursement agreements, including any additional Authorized Improvements described herein, are not undertaken by the City, the Assessment securing such reimbursement obligations for each Assessed Property shall be reduced by the City Council to reflect only the Actual Costs that were expended. The City Council shall reduce such Assessments for each Assessed Property pro rata such that the sum of the resulting reduced Assessments equals the Actual Costs with respect to such Authorized Improvements that were undertaken. The Assessments shall not be reduced to an amount less than the related outstanding reimbursement obligations.

F. PAYMENT OF ASSESSMENTS

1. Payment in Full

(a) The Assessment for any Parcel may be paid in full at any time. Payment shall include all Prepayment Costs.

(b) If an Annual Installment has been billed prior to payment in full of an Assessment, the Annual Installment shall be due and payable and shall be credited against the payment-in-full amount.

(c) Upon payment in full of the Assessment and all Prepayment Costs, the City shall deposit the payment in accordance with the Trust Indenture; whereupon, the Assessment shall be reduced to zero, and the owner's obligation to pay the Assessment and Annual Installments thereof shall automatically terminate.

(d) At the option of the owner, the Assessment on any Parcel plus Prepayment Costs may be paid in part as determined by the Administrator. Upon the payment of such amounts for a Parcel, the Assessment for the Parcel shall be reduced, the Assessment Roll shall be updated to reflect such partial payment, and the obligation to pay the Annual Installment for such Parcel shall be reduced to the extent the partial payment is made.

2. Payment in Annual Installments

The Act provides that an Assessment for a Parcel may be paid in full at any time. If not paid in full, the Act authorizes the City to collect interest and collection costs on the outstanding Assessment. An Assessment for a Parcel that is not paid in full will be collected in Annual Installments each year in the amounts shown in the Phase #1 Assessment Roll, which includes interest on the outstanding Assessment and Administrative Expenses.

Each Assessment shall be paid with interest based on an interest rate of 7.66% per annum for years 1 through 5 and 4.66% per annum following the fifth Annual Installment. Each Assessment shall be paid at a rate not to exceed five hundred basis points above the highest average index rate for tax-exempt bond reported in a daily or weekly bond index approved by the City and reported in

the month prior to the establishment of the Assessments and continuing for a period of five years from such date. Such rate shall then adjust and shall not exceed two hundred basis points above the bond index rate described above and shall continue until the Assessments are paid in full. The index approved by the City is the Bond Buyer Index for which the highest average rate during April 2021 was 2.66%. The City has determined that the Assessments shall bear interest at the rate of 7.66% per annum for years 1 through 5 and 4.66% per annum following the fifth Annual Installment, which rate are equal to both the initial maximum allowable rate of interest of 7.66% as well as the maximum allowable rate of interest following the fifth Annual Installment, which would be 4.66%. Furthermore, the principal and interest component of the Annual Installments may not exceed the amounts shown on the Assessment Roll. The Assessment Rolls, updated with the actual interest rate on the respective reimbursement agreements, are shown in Appendix E and Appendix F.

The Annual Installments shall be reduced to equal the actual costs of repaying the reimbursement obligation under the applicable reimbursement agreement and actual Administrative Expenses (as provided for in the definition of such term), taking into consideration any other available funds for these costs, such as interest income on account balances.

G. COLLECTION OF ANNUAL INSTALLMENTS

No less frequently than annually, the Administrator shall prepare, and the City Council shall consider, an Annual Service Plan Update to allow for the billing and collection of Annual Installments. Each Annual Service Plan Update shall include updated Assessment Rolls and a calculation of the Annual Installment for each Parcel. Administrative Expenses shall be allocated among Parcels in proportion to the amount of the Annual Installments for the Parcels. Annual Installments shall be collected by the City in the same manner and at the same time as ad valorem taxes and shall be subject to the same penalties, procedures, and foreclosure sale in case of delinquencies as are provided for ad valorem taxes of the City. The City Council may provide for other means of collecting the Annual Installments to the extent permitted under the PID Act. The Assessments shall have lien priority as specified in the PID Act.

The collection of the first Annual Installment for a Phase #1 Lot or Parcel shall commence upon the earlier of: (i) with tax bills sent the first October following the issuance of the first building permit for each Lot within each Phase, such that Assessments are billed only for Lots for which a building permit has been issued, (ii) with tax bills sent the first October after issuance of any Bonds secured by the respective reimbursement agreement for Phase #1 Assessed Property, or (iii) with tax bills sent the first October following the second anniversary of the levy of Assessments on the Phase #1 Assessed Property such that all Assessments in the applicable Phase begin collection immediately after the expiration of such two year period. Such first Annual Installment for a Phase #1 Lot or Parcel for which collection has begun, shall be due by January 31st of the following calendar year.

Any sale of property for nonpayment of the Annual Installments shall be subject to the lien established for the remaining unpaid Annual Installments against such property and such property may again be sold at a judicial foreclosure sale if the purchaser thereof fails to make timely payment of the non-delinquent Annual Installments against such property as they become due and payable.

VII. THE ASSESSMENT ROLL

A. PHASE #1 ASSESSMENT ROLL

The City Council has evaluated each Parcel in Phase #1 (based on numerous factors such as the applicable zoning for developable area, the use of proposed Homeowner Association Property, the Public Property, the types of public improvements, and other development factors deemed relevant by the City Council) to determine the amount of Assessed Property within the Phase #1.

The Phase #1 Assessed Property has been assessed for the special benefits conferred upon the property resulting from the Phase #1 Projects. Table VII-B summarizes the $9,060,054 in special benefit received by the Phase #1 Assessed Property from the Phase #1 Projects. The Assessment amount of the Phase #1 Reimbursement Agreement is $7,168,000, which is equal to the benefit received by the Phase #1 Assessed Property. Accordingly, the total Assessment to be applied to all the Phase #1 Assessed Property is $7,168,000 plus annual Administrative Expenses. The Assessment for each Phase #1 Assessed Property is calculated based on the allocation methodologies described in Section V.D. The Phase #1 Assessment Roll is attached hereto as Appendix F.

Table VII-B
Special Benefit Summary - Phase #1

Special Benefit	Total Cost
Phase #1 Projects	
Total Authorized Improvements (a)	$9,060,054
Total Special Benefit	**$9,060,054**
Special Benefit	
Total Special Benefit	$9,060,054
Projected Phase #1 Assessment	$7,168,000
Excess Benefit	**$1,892,054**

(a) See Table III-B for details.

B. FUTURE PHASE ASSESSMENT ROLL

As Future Phases are developed, this SAP will be amended to determine the Assessment for each Parcel or Lot located within such Future Phase (e.g., an appendix will be added as the Assessment Roll for each Future Phase).

C. ANNUAL ASSESSMENT ROLL UPDATES

The Administrator shall prepare, and shall submit to the City Council for approval, annual updates to the Phase #1 Assessment Roll in conjunction with the Annual Service Plan Update to reflect

the following matters, together with any other changes helpful to the Administrator or the City and permitted by the PID Act: (i) the identification of each Parcel (ii) the Assessment for each Parcel of Assessed Property, including any adjustments authorized by this Service and Assessment Plan or in the PID Act; (iii) the Annual Installment for the Assessed Property for the year (if the Assessment is payable in installments); and (iv) payments of the Assessment, if any, as provided by Section VI.G of this Service and Assessment Plan.

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VIII. MISCELLANEOUS PROVISIONS

A. ADMINISTRATIVE REVIEW

The City may elect to designate a third party to serve as Administrator. The City shall notify Developer in writing at least thirty (30) days in advance before appointing a third party Administrator.

To the extent consistent with the PID Act, an owner of an Assessed Parcel claiming that a calculation error has been made in the Assessment Roll(s), including the calculation of the Annual Installment, shall send a written notice describing the error to the City not later than thirty (30) days after the date any amount which is alleged to be incorrect is due prior to seeking any other remedy. The Administrator shall promptly review the notice, and if necessary, meet with the Assessed Parcel owner, consider written and oral evidence regarding the alleged error, and decide whether, in fact, such a calculation error occurred.

If the Administrator determines that a calculation error has been made and the Assessment Roll should be modified or changed in favor of the Assessed Parcel owner, such change or modification shall be presented to the City Council for approval to the extent permitted by the PID Act. A cash refund may not be made for any amount previously paid by the Assessed Parcel owner (except for the final year during which the Annual Installment shall be collected or if it is determined there are sufficient funds to meet the expenses of the PID for the current year), but an adjustment may be made in the amount of the Annual Installment to be paid in the following year. The decision of the Administrator regarding a calculation error relating to the Assessment Roll may be appealed to the City Council. Any amendments made to the Assessment Roll(s) pursuant to calculation errors shall be made pursuant to the PID Act.

The decision of the Administrator, or if such decision is appealed to the City Council, the decision of the City Council shall be conclusive as long as there is a reasonable basis for such determination. This procedure shall be exclusive and its exhaustion by any property owner shall be a condition precedent to any other appeal or legal action by such owner.

B. TERMINATION OF ASSESSMENTS

Each Assessment shall be extinguished on the date the Assessment is paid in full, including unpaid Annual Installments and Delinquent Collection Costs, if any. After the extinguishment of an Assessment and the collection of any delinquent Annual Installments and Delinquent Collection Costs, the City shall provide the owner of the affected Parcel a recordable "Notice of the PID Assessment Termination".

C. AMENDMENTS

Amendments to the Service and Assessment Plan can be made as permitted or required by the PID Act and under Texas law.

The City Council reserves the right to the extent permitted by the PID Act to amend this Service and Assessment Plan without notice under the PID Act and without notice to property owners of Parcels: (i) to correct mistakes and clerical errors; (ii) to clarify ambiguities; and (iii) to provide procedures for the collection and enforcement of Assessments, Prepayment Costs, Collection Costs, and other charges imposed by the Service and Assessment Plan.

D. Administration and Interpretation of Provisions

The City Council shall administer the PID, this Service and Assessment Plan, and all Annual Service Plan Updates consistent with the PID Act and shall make all interpretations and determinations related to the application of this Service and Assessment Plan unless stated otherwise herein or in the Trust Indenture, such determination shall be conclusive.

E. Severability

If any provision, section, subsection, sentence, clause or phrase of this Service and Assessment Plan or the application of same to an Assessed Parcel or any person or set of circumstances is for any reason held to be unconstitutional, void or invalid, the validity of the remaining portions of this Service and Assessment Plan or the application to other persons or sets of circumstances shall not be affected thereby, it being the intent of the City Council in adopting this Service and Assessment Plan that no part hereof or provision or regulation contained herein shall become inoperative or fail by reason of any unconstitutionality, voidness or invalidity of any other part hereof, and all provisions of this Service and Assessment Plan are declared to be severable for that purpose.

If any provision of this Service and Assessment Plan is determined by a court to be unenforceable, the unenforceable provision shall be deleted from this Service and Assessment Plan and the unenforceable provision shall, to the extent possible, be rewritten to be enforceable and to give effect to the intent of the City.

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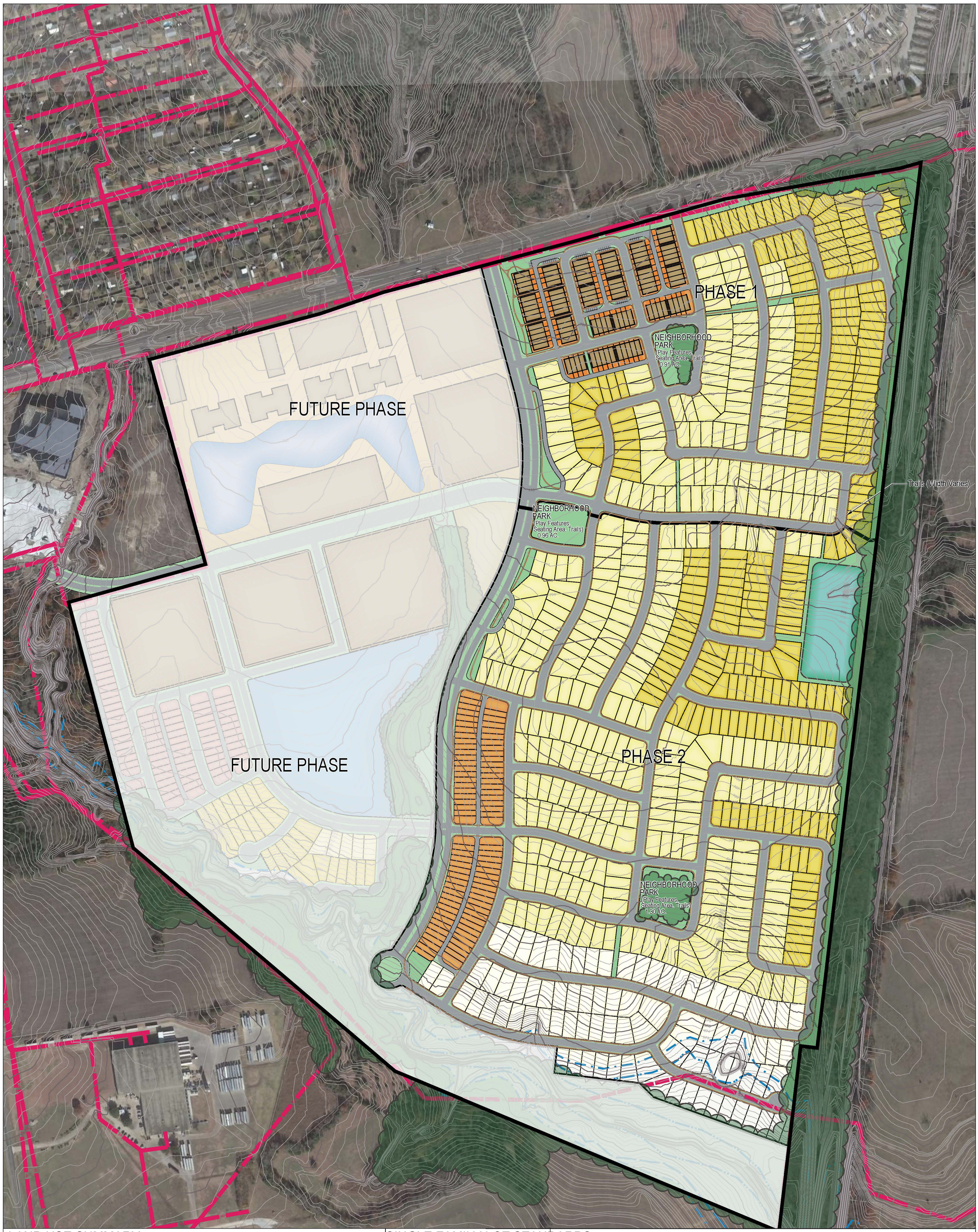
APPENDIX A
PID MAP

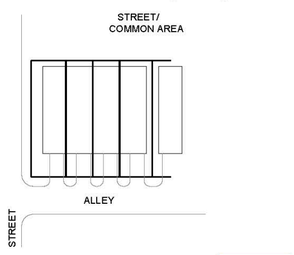


LAND USE SUMMARY

Land Use	Area
Phase 1 Gross Area	**57.31 acres**
ROW	2.18 acres
Neighborhoods	49.27 acres
Parks	0.91 acres
Open space	4.95 acres

Land Use	Area
Phase 2 Gross Area	**105.96 acres**
ROW	3.24 acres
Neighborhoods	94.46 acres
Parks	2.26 acres
Open space	6.00 acres

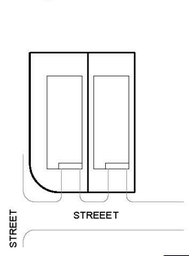
SINGLE FAMILY LOT STANDARDS



TOWNHOME LOT STANDARD

22' UNIT WIDTH (INTERIOR)
23' UNIT WIDTH (END UNIT)
100' LOT DEPTH (MIN.)

10' FRONT YARD SETBACK
20' REAR YARD SETBACK
0/5' SIDE YARD SETBACK
10' CORNER SETBACK (BUILDING)
ALLEY PRODUCT
20' x 70' NET BUILDING PAD (MIN.)

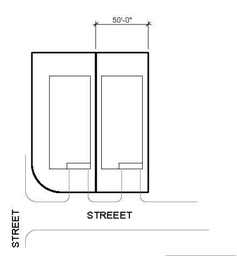


40' LOT STANDARD

40' LOT WIDTH (MIN.)
115' LOT DEPTH (TYPICAL)

20' FRONT YARD SETBACK
25' GARAGE SETBACK
15' REAR YARD SETBACK
5' SIDE YARD SETBACK
10' CORNER SETBACK (BUILDING)

30' x 80' NET BUILDING PAD (TYPICAL)

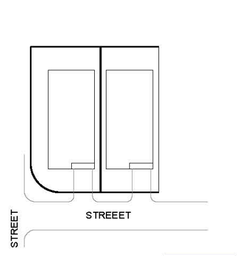


50' LOT STANDARD

50' LOT WIDTH (MIN.)
115' LOT DEPTH (TYPICAL)

20' FRONT YARD SETBACK
25' GARAGE SETBACK
15' REAR YARD SETBACK
5' SIDE YARD SETBACK
10' CORNER SETBACK (BUILDING)

40' x 80' NET BUILDING PAD (TYPICAL)



60' LOT STANDARD

60' LOT WIDTH (MIN.)
120' LOT DEPTH (TYPICAL)

20' FRONT YARD SETBACK
25' GARAGE SETBACK
15' REAR YARD SETBACK
5' SIDE YARD SETBACK
10' CORNER SETBACK (BUILDING)

50' x 85' NET BUILDING PAD (TYPICAL)

DETAILED SITE PLAN
PHASES 1 & 2
BEL AIR VILLAGE
SHERMAN, TX

AMERICAN COMMUNITIES MESA
2001 North Lamar Street Suite 100
Dallas, TX 75202
214.871.0568
FAX 214.871.1507

0 200 400 600
Scale: 1"=200'
NORTH
February 16, 2021
P:\2020\202291\CAD\1_MP\Framework Alt E-lotitng ver 1.dwg

APPENDIX B-1
ESTIMATED COSTS OF AUTHORIZED IMPROVEMENTS

BEL AIR VILLAGE - SHERMAN, TX

BUDGET SUMMARY

4/2/2021

	PHASE 1				FUTURE PHASES				OVERALL PROJECT TOTALS				BELAIR BLVD	
NUMBER OF ACRES	57.9				153.5				211.4				CITY	
NUMBER OF LOTS	327				618				945					
	TOTAL	PID DIRECT	PID MI	NON-PID	TOTAL	PID DIRECT	PID MI	NON-PID	TOTAL	PID DIRECT	PID MI	NON-PID	PHASE 1	FUTURE PHASES
ENGINEERING, CONSULTING, CITY FEES	1,339,464	916,459	336,736	86,269	2,782,955	2,072,216	710,739	0	4,122,419	2,988,675	1,047,475	86,269	288,630	247,269
EXCAVATION AND EROSION CONTROL	1,967,586	574,936	206,651	1,185,999	4,240,163	945,506	40,269	3,254,388	6,207,749	1,520,442	246,920	4,440,387	28,766	53,839
WATER SYSTEMS	729,393	713,377	16,016	0	1,632,722	1,311,238	321,485	0	2,362,115	2,024,614	337,501	0	144,768	144,794
SANITARY SEWER	1,021,866	863,168	158,699	0	2,052,577	1,427,124	484,095	141,358	3,074,443	2,290,291	642,793	141,358	0	0
STORM SEWER	1,662,616	1,501,598	139,147	0	2,659,119	2,227,529	358,871	72,719	4,321,735	3,729,127	498,018	72,719	74,521	143,255
PAVING	2,168,179	2,126,609	41,570	0	5,840,421	5,587,343	253,078	0	8,008,599	7,713,952	294,648	0	1,164,923	960,592
SITE FENCING / RETAINING WALLS / LANDSCAPE	1,079,065	188,947	452,500	437,618	1,126,309	356,000	0	770,309	2,205,374	544,947	452,500	1,207,927	253,240	218,850
DRY UTILITIES	89,400	0	0	89,400	27,000	0	0	27,000	116,400	0	0	116,400	7,200	27,000
SUB-TOTAL CONSTRUCTION COST	**10,057,569**	**6,885,093**	**1,351,320**	**1,799,286**	**20,361,265**	**13,926,956**	**2,168,535**	**4,265,774**	**30,418,834**	**20,812,048**	**3,519,855**	**6,065,061**	**1,962,048**	**1,795,598**
PER LOT COST	30,757	21,055	4,132	5,502	32,947	22,536	3,509	6,903	32,189	22,023	3,725	6,418	**3,757,647**	
													$3,976	
10% CONTINGENCY	1,005,757	688,509	135,132	179,929	2,036,127	1,392,696	216,854	426,577	3,041,883	2,081,205	351,985	606,506		
SUB-TOTAL WITH CONTINGENCY	11,063,326	7,573,602	1,486,452	1,979,215	22,397,392	15,319,651	2,385,389	4,692,352	33,460,717	22,893,253	3,871,840	6,671,567		
ROLLBACK TAXES	86,880	0	0	86,880	230,220	0	0	230,220	317,100	0	0	317,100		
TOTAL CONSTRUCTION COST	**11,150,206**	**7,573,602**	**1,486,452**	**2,066,095**	**22,627,612**	**15,319,651**	**2,385,389**	**4,922,572**	**33,777,817**	**22,893,253**	**3,871,840**	**6,988,667**		
PER LOT COST	34,098	23,161	4,546	6,318	36,614	24,789	3,860	7,965	35,744	24,226	4,097	7,395		

NOTES

1. **ROLLBACK TAXES ESTIMATED AT $1,500 PER ACRE**
2. **NO PARK DEDICATION FEES ARE REQUIRED**
3. WATER METER IMPACT FEE TO THE BUILDER FOR A 3/4" METER IS $1,000.00 PER BUILDING PERMIT.
4. SEWER IMPACT FEE TO THE BUILDER AT $500.00 PER BUILDING PERMIT
5. ROADWAY IMPACT FEES AT $1,000.00 PER SINGLE FAMILY BUILDING PERMIT
6. BUILDING PERMIT / INSPECTION FEES = $0.30 PER SQUARE FOOT PLUS $25.00
7. CITY CONTRACTS AND PAYS FOR ALL PUBLIC INFRASTRUCTURE CMT
8. MOISTURE CONDITIONING (PADS) & CMT ASSUMED, NO GEOTECH AVAILABLE **(PHASE 1 = $1,084,546)**
9. UNCLASSIFIED EXCAVATION (FILL) TAKEN FROM FUTURE PHASES
10. CLEARING OF OFFSITE SANITARY MAIN 100% PID ELIGIBLE, VERIFY ACREAGE FOR BUDGET
11. SANITARY MANHOLES DO NOT REQUIRE REQUIRE COATING
12. DEVELOPER PAYS CITY FOR STREET SIGNS, CITY INSTALLS
13. STREETLIGHTS SHALL BE INSTALLED BY FRANCHISE PROVIDER AND APPROVED BY CITY (WILL REQUIRE PHOTOMETRIC PLAN)
14. VERIFY DETENTION POND BUILT IN PHASE 1, KEEP DRY IF POSSIBLE (2 BUBBLERS INCLUDED IN BUDGET)
15. INTERNAL PARK BUDGET NOT FINALIZED UNTIL EXTENT OF IMPROVEMENTS ARE KNOWN
16. WATER METERS ENGINEERED TOWARDS VALUE (300% INCREASE IN CITY WATER IMPACT FEES 2" VS. 1")
17. **GRAND AVENUE** - LANDSCAPE/IRRIGATION BUDGETED, NO OTHER COSTS INCLUDED [CITY PAYING FOR STREET VIA TIRZ?]
18. **GRAND AVENUE** - 8" PAVEMENT UNIT PRICE TO INCLUDE 17' MEDIAN, NO MEDIAN NOSES BUDGETED (4 MAX)
19. IS TRAFFIC LIGHT & DECELERATION LANE TIRZ FUNDED?

LOT COUNTS

LOT SIZE	PHASE 1	FUTURE PHASES	TOTAL
25'S	98	89	**187**
30's	0	79	**79**
40'S	124	136	**260**
50's	105	245	**350**
60's	0	69	**69**
TOTAL LOTS	327	618	**945**
ACREAGE	57.900	153.500	211.400

BEL AIR VILLAGE - SHERMAN, TX
PHASE 1 - BUDGET

4/2/2021

ENGINEERING, CONSULTING, AND FEES

ITEM NO.	DESCREIPTION	UNIT	ESTIMATED QUANTITY	UNIT PRICE	TOTAL PRICE	PID DIRECT	PID MI	NON-PID
1	CIVIL ENGINEERING AND SURVEYING	LOT	327	$1,800.00	$588,600.00	$391,450.00	$147,150.00	$50,000.00
2	RECORD EASEMENT REVIEW	LS	0	$11,625.00	$0.00	$0.00	$0.00	$0.00
3	CONSTRUCTION MANAGEMENT	LOT	327	$1,500.00	$490,500.00	$367,875.00	$122,625.00	$0.00
4	INSPECTION FEES	%	4.0%	$3,908,634.56	$156,345.38	$117,259.04	$39,086.35	$0.00
5	CITY APPLICATION FEES	LS	1	$1,500.00	$1,500.00	$1,125.00	$375.00	$0.00
6	PRO-RATA	LS	0	$377,440.00	$0.00	$0.00	$0.00	$0.00
7	PARKLAND DEDICATION FEES	LOT	327	$0.00	$0.00	$0.00	$0.00	$0.00
8	FINAL SOILS REPORT	LOT	1	$30,000.00	$30,000.00	$22,500.00	$7,500.00	$0.00
9	CMT	%	0.80%	$3,908,634.56	$31,269.08	$0.00	$0.00	$31,269.08
10	TRAFFIC IMPACT ANALYSIS	LS	0	$0.00	$0.00	$0.00	$0.00	$0.00
11	PHOTOMETRIC & LIGHTING PLANS	LS	1	$1,250.00	$1,250.00	$1,250.00	$0.00	$0.00
12	LANDSCAPE ARCHITECT	LS	1	$40,000.00	$40,000.00	$15,000.00	$20,000.00	$5,000.00
	TOTAL - ENGINEERING, CONSULTING, AND FEES:				**$1,339,464.46**	$916,459.04	$336,736.35	$86,269.08
				PER LOT:	**$4,096**	$2,803	$1,030	$264

GRADING AND SITE PREPARATION

EXCAVATION

ITEM NO.	DESCRIPTION	UNIT	ESTIMATED QUANTITY	UNIT PRICE	TOTAL PRICE	PID DIRECT	PID MI	Regional Dete NON-PID
1	CONSTRUCTION ENTRANCE	EA	1	$2,000.00	$2,000.00	$2,000.00	$0.00	$0.00
2	CLEARING AND GRUBBING	AC	57.92	$2,000.00	$115,840.00	$115,840.00	$0.00	$0.00
3	DEMO EXISTING STRUCTURES	LS	1	$30,000.00	$30,000.00	$30,000.00	$0.00	$0.00
4	DRAIN & DEMUCK POND	EA	1	$25,000.00	$25,000.00	$25,000.00	$0.00	$0.00
5	CAP EXISTING WELL	EA	1	$4,500.00	$4,500.00	$4,500.00	$0.00	$0.00
6	CLEARING OF SANITARY SEWER MAIN EASEMENT (OFFSITE)	AC	5	$3,500.00	$17,500.00	$0.00	$17,500.00	$0.00
7	UNCLASSIFIED EXCAVATION (CUT)	CY	28,000	$2.30	$64,400.00	$64,400.00	$0.00	$0.00
8	UNCLASSIFIED EXCAVATION (FILL FROM FUTURE PHASES)	CY	144,000	$2.30	$331,200.00	$198,720.00	$132,480.00	$0.00
9	DETENTION POND UNCLASSIFIED EXCAVATION (CUT)	CY	34,863	$2.30	$80,184.90	$48,439.70	$27,992.55	$3,752.65
10	MOISTURE CONDITIONING 8' - OVER EXCAVATION	CY	406,371	$2.30	$934,653.30	$0.00	$0.00	$934,653.30
11	POLY SEAL LOTS	LOT	327	$400.00	$130,800.00	$0.00	$0.00	$130,800.00
12	CMT (MOISTURE CONDITIONING)	LS	2%	$934,653.30	$18,693.07	$0.00	$0.00	$18,693.07
13	ROUGH LOT BENCHING	LOT	327	$150.00	$49,050.00	$0.00	$0.00	$49,050.00
14	FINAL LOT BENCHING	LOT	327	$150.00	$49,050.00	$0.00	$0.00	$49,050.00
	TOTAL - EXCAVATION WITH NO MOISTURE CONDITIONING:				**$1,852,871.27**	$488,899.70	$177,972.55	$1,185,999.02
				PER LOT:	**$5,666**	$1,495	$544	$3,627

EROSION CONTROL

ITEM NO.		UNIT	ESTIMATED QUANTITY	UNIT PRICE	TOTAL PRICE	PID DIRECT	PID MI	NON-PID
1	SILT FENCE	LF	6,700	$1.45	$9,715.00	$7,286.25	$2,428.75	$0.00
2	INLET PROTECTION	EA	54	$300.00	$16,200.00	$12,150.00	$4,050.00	$0.00
3	SEED DISTURBED AREAS	AC	40.00	$400.00	$16,000.00	$12,000.00	$4,000.00	$0.00
4	4' CURLEX	LF	26,000	$1.30	$33,800.00	$25,350.00	$8,450.00	$0.00
5	SWPPP	LS	1	$3,000.00	$3,000.00	$2,250.00	$750.00	$0.00
6	SWPPP INSPECTIONS	EA	12	$3,000.00	$36,000.00	$27,000.00	$9,000.00	$0.00
	TOTAL - EROSION CONTROL:				**$114,715.00**	$86,036.25	$28,678.75	$0.00
				PER LOT:	**$351**	$263	$88	$0

WET UTILITIES

ITEM NO.	DESCRIPTION	UNIT	ESTIMATED QUANTITY	UNIT PRICE	TOTAL PRICE	PID DIRECT	PID MI	NON-PID
	UTILITIES - WATER SYSTEMS							
1	8" AWWA C900 PVC WATERLINE & FITTINGS	LF	10,845	$24.00	$260,280.00	$260,280.00	$0.00	$0.00
2	12" AWWA C900 PVC WATERLINE & FITTINGS	LF	0	$36.00	$0.00	$0.00	$0.00	$0.00
3	20" x 12" TEE	EA	0	$2,500.00	$0.00	$0.00	$0.00	$0.00
4	12" GATE VALVE & BOX	EA	0	$5,000.00	$0.00	$0.00	$0.00	$0.00
5	8" GATE VALVE & BOX	EA	44	$1,300.00	$57,200.00	$54,600.00	$2,600.00	$0.00
6	3/4" IRRIGATION SERVICES	EA	8	$800.00	$6,400.00	$5,600.00	$800.00	$0.00
7	3/4" SINGLE WATER SERVICE	EA	327	$800.00	$261,600.00	$261,600.00	$0.00	$0.00
8	FIRE HYDRANT ASSEMBLY	EA	23	$4,000.00	$92,000.00	$80,000.00	$12,000.00	$0.00
9	TRENCH SAFTEY	LF	10,845	$1.00	$10,845.00	$10,845.00	$0.00	$0.00
10	TESTING (CITY-REQUIRED)	LF	10,845	$1.20	$13,014.00	$13,014.00	$0.00	$0.00
11	PAYMENT, PERFORMANCE, &MAINTENANCE BOND	LF	4%	$701,339.00	$28,053.56	$27,437.56	$616.00	$0.00
	SUBTOTAL UTILITIES - WATER SYSTEMS:				**$729,392.56**	$713,376.56	$16,016.00	$0.00
				PER LOT:	**$2,231**	$2,182	$49	$0
	UTILITIES - SANITARY SEWER							
1	8" SDR-35 PVC PIPE	LF	10,156	$28.00	$284,368.00	$284,368.00	$0.00	$0.00
2	4.0' DIAMETER MANHOLE	EA	28	$4,600.00	$128,800.00	$128,800.00	$0.00	$0.00
3	8" SDR-35 PVC PIPE (TRUNK SEWER A)	LF	598	$28.00	$16,744.00	$6,697.60	$10,046.40	$0.00
4	10" SDR-26 PVC PIPE (TRUNK SEWER A)	LF	1,062	$36.00	$38,232.00	$15,292.80	$22,939.20	$0.00
5	12" SDR-26 PVC PIPE (TRUNK SEWER A)	LF	1,160	$50.00	$58,000.00	$23,200.00	$34,800.00	$0.00
6	15" SDR-26 PVC PIPE (TRUNK SEWER A)	LF	1,318	$60.00	$79,080.00	$31,632.00	$47,448.00	$0.00
7	4.0' DIAMETER MANHOLE (TRUNK SEWER A)	EA	7	$4,600.00	$32,200.00	$12,880.00	$19,320.00	$0.00
8	5.0' DIAMETER MANHOLE (TRUNK SEWER A)	EA	5	$6,500.00	$32,500.00	$13,000.00	$19,500.00	$0.00
9	CONNECT TO EXISTING MANHOLE (TRUNK SEWER A)	EA	1	$500.00	$500.00	$200.00	$300.00	$0.00
10	CONCRETE ENCASEMENT	LF	0	$100.00	$0.00	$0.00	$0.00	$0.00
11	4" SDR-35 SEWER SERVICES	EA	327	$875.00	$286,125.00	$286,125.00	$0.00	$0.00
12	END & 8" PLUG FOR FUTURE DEVELOPMENT	EA	2	$500.00	$1,000.00	$1,000.00	$0.00	$0.00
13	TRENCH SAFTEY	LF	10,156	$1.00	$10,156.00	$10,156.00	$0.00	$0.00
14	TESTING (CITY-REQUIRED)	LF	10,156	$0.75	$7,617.00	$7,617.00	$0.00	$0.00
15	TRENCH SAFTEY (TRUNK SEWER A)	LF	4,138	$1.00	$4,138.00	$1,655.20	$2,482.80	$0.00
16	TESTING (CITY-REQUIRED) (TRUNK SEWER A)	LF	4,138	$0.75	$3,103.50	$1,241.40	$1,862.10	$0.00
17	PAYMENT, PERFORMANCE, &MAINTENANCE BOND	LS	4%	982,563.50	$39,302.54	$39,302.54	$0.00	$0.00
	SUBTOTAL UTILITIES - SANITARY SEWER:				**$1,021,866.04**	$863,167.54	$158,698.50	$0
				PER LOT:	**$3,125**	$2,640	$485	$0
	UTILITIES - STORM SEWER - PID DIRECT							
1	4' x 4' R.C.B	LF	160	$275.00	$44,000.00	$44,000.00	$0.00	$0.00
2	5' x 4' R.C.B	LF	359	$300.00	$107,700.00	$107,700.00	$0.00	$0.00
3	48" Class III RCP	LF	897	$180.00	$161,460.00	$161,460.00	$0.00	$0.00
4	42" Class III RCP	LF	486	$150.00	$72,900.00	$72,900.00	$0.00	$0.00
5	36 " Class III RCP	LF	858	$110.00	$94,380.00	$94,380.00	$0.00	$0.00
6	30" Class III RCP	LF	700	$80.00	$56,000.00	$56,000.00	$0.00	$0.00
7	24" Class III RCP	LF	1,519	$60.00	$91,140.00	$91,140.00	$0.00	$0.00
8	18" Class III RCP	LF	2,269	$53.00	$120,257.00	$120,257.00	$0.00	$0.00
9	3' x 3' JUNCTION BOX	EA	1	$3,000.00	$3,000.00	$3,000.00	$0.00	$0.00
10	4' x 4' JUNCTION BOX	EA	4	$3,800.00	$15,200.00	$15,200.00	$0.00	$0.00
11	5' x 5' JUNCTION BOX	EA	1	$4,500.00	$4,500.00	$4,500.00	$0.00	$0.00
12	6' x 6' JUNCTION BOX	EA	3	$6,500.00	$19,500.00	$19,500.00	$0.00	$0.00
13	7' x 7' JUNCTION BOX	EA	1	$8,500.00	$8,500.00	$8,500.00	$0.00	$0.00
14	10' CURB INLET	EA	66	$3,750.00	$247,500.00	$247,500.00	$0.00	$0.00
15	TRENCH SAFETY	LF	7,248	$1.00	$7,248.00	$7,248.00	$0.00	$0.00
16	TESTING (CITY-REQUIRED)	LF	7,248	$1.00	$7,248.00	$7,248.00	$0.00	$0.00
17	PAYMENT, PERFORMANCE, &MAINTENANCE BOND	LS	4%	$1,060,533.00	$42,421.32	$42,421.32	$0.00	$0.00
	SUBTOTAL UTILITIES - STORM SEWER:				**$1,102,954.32**	$1,102,954.32	$0.00	$0.00
				PER LOT:	**$3,373**	$3,373	$0	$0
	UTILITIES - STORM SEWER - MASTER IMPROVEMENT - LINE B							Total Infr
1	5' x 5' R.C.B	LF	177	$350.00	$61,950.00	$51,362.75	$6,610.07	$3,977.19
2	(3) 8' x 4' R.C.B.	LF	50	$1,900.00	$95,000.00	$61,835.50	$33,164.50	$4,446.00
3	48" Class III RCP	LF	756	$180.00	$136,080.00	$96,439.90	$39,640.10	$23,841.22
4	36 " Class III RCP	LF	441	$110.00	$48,510.00	$34,379.04	$14,130.96	$8,498.95
5	24" Class III RCP	LF	804	$60.00	$48,240.00	$34,187.69	$14,052.31	$8,451.65
6	18" Class III RCP	LF	160	$53.00	$8,480.00	$6,009.78	$2,470.22	$1,485.70
7	4' x 4' JUNCTION BOX	EA	2	$3,800.00	$7,600.00	$5,386.12	$2,213.88	$0.00
8	6' x 6' JUNCTION BOX	EA	1	$6,500.00	$6,500.00	$4,606.55	$1,893.45	$0.00
9	7' x 7' JUNCTION BOX	EA	1	$8,500.00	$8,500.00	$7,593.05	$906.95	$545.70
10	10' x 10' CUSTOM DETENTION OUTFALL JUNCTION BOX	EA	1	$10,000.00	$10,000.00	$6,509.00	$3,491.00	$468.00
11	10' CURB INLET	EA	15	$3,750.00	$56,250.00	$33,750.00	$7,500.00	$15,000.00
12	RIP-RAP	SY	50	$85.00	$4,250.00	$3,523.68	$453.48	$272.85
13	5' x 5' HEADWALL	EA	1	$20,000.00	$20,000.00	$16,582.00	$2,134.00	$1,284.00
14	CUSTOM HEADWALL	EA	1	$22,000.00	$22,000.00	$13,290.20	$7,680.20	$1,029.60
15	TRENCH SAFETY	LF	2,388	$1.00	$2,388.00	$1,979.89	$254.80	$153.31
16	TESTING (CITY-REQUIRED)	LF	2,388	$1.00	$2,388.00	$1,979.89	$254.80	$153.31
17	PAYMENT, PERFORMANCE, &MAINTENANCE BOND	LS	4%	$538,136.00	$21,525.44	$19,228.68	$2,296.76	$1,381.93
	SUBTOTAL UTILITIES - STORM SEWER:				**$559,661.44**	$398,643.69	$139,147.49	$70,989.40
				PER LOT:	**$1,712**	$1,219	$426	$217
	TOTAL WET UTILITIES:				**$3,413,874.36**	$3,078,142.11	$313,861.99	$70,989.40
				PER LOT:	**$10,440**	$9,413	$960	$217

PAVING

ITEM NO.	DESCRIPTION	UNIT	ESTIMATED QUANTITY	UNIT PRICE	TOTAL PRICE	PID DIRECT	PID MI	NON-PID
1	LOCAL STREET (6" REINFORCED CONCRETE PVMT.)	SY	36,875	$35.00	$1,290,625.00	$1,290,625.00	$0.00	$0.00
2	ALLEY (6" REINFORCED CONCRETE PVMT.)	SY	4,273	$41.00	$175,193.00	$175,193.00	$0.00	$0.00
3	SLIP ROAD (6" REINFORCED CONCRETE PVMT.)	SY	936	$41.00	$38,376.00	$38,376.00	$0.00	$0.00
4	GRAND AVE (8" REINFORCED CONCRETE PVMT.)	SY	0	$55.00	$0.00	$0.00	$0.00	$0.00
5	8" SUBGRADE PREP (LOCAL STREET)	SY	36,875	$3.50	$129,062.50	$129,062.50	$0.00	$0.00
6	8" SUBGRADE PREP (ALLEY)	SY	4,273	$3.50	$14,955.50	$14,955.50	$0.00	$0.00
7	8" SUBGRADE PREP (SLIP ROAD)	SY	936	$3.50	$3,276.00	$3,276.00	$0.00	$0.00
8	8" SUBGRADE PREP (GRAND AVE)	SY	0	$3.50	$0.00	$0.00	$0.00	$0.00
9	HYDRATED LIME (36#/SY) (LOCAL STREET)	TON	1,328	$175.00	$232,312.50	$232,312.50	$0.00	$0.00
10	HYDRATED LIME (36#/SY) (ALLEY)	TON	154	$175.00	$26,919.90	$26,919.90	$0.00	$0.00
11	HYDRATED LIME (36#/SY) (SLIP ROAD)	TON	34	$175.00	$5,896.80	$5,896.80	$0.00	$0.00
12	HYDRATED LIME (36#/SY) (GRAND AVE)	TON	0	$175.00	$0.00	$0.00	$0.00	$0.00
13	5' CONCRETE SIDEWALK	SF	14,000	$5.60	$78,400.00	$67,760.00	$10,640.00	$0.00
14	6' CONCRETE SIDEWALK	LF	0	$32.00	$0.00	$0.00	$0.00	$0.00
15	REMOVE BARRICADE & CONNECT TO EXISTING	EA	2	$650.00	$1,300.00	$1,300.00	$0.00	$0.00
16	STREET BARRICADE	EA	3	$2,500.00	$7,500.00	$0.00	$7,500.00	$0.00
17	PAVEMENT HEADER	LF	90	$33.00	$2,970.00	$2,970.00	$0.00	$0.00
18	BARRIER FREE RAMP	EA	39	$2,000.00	$78,000.00	$74,000.00	$4,000.00	$0.00
19	PAYMENT, PERFORMANCE, &MAINTENANCE BOND	LS	4%	$2,084,787.20	$83,391.49	$63,961.49	$19,430.00	$0.00
	TOTAL PAVING:				**$2,168,178.69**	$2,126,608.69	$41,570.00	$0.00
				PER LOT:	**$6,631**	$6,503	$127	$0

SITE FENCING / RETAINING WALLS / LANDSCAPE

ITEM NO.	DESCRIPTION	UNIT	ESTIMATED QUANTITY	UNIT PRICE	TOTAL PRICE	PID DIRECT	PID MI	NON-PID
1	1' - 2' RETAINING WALL (MINIMUM HEIGHT)	SF	2,000	$10.50	$21,000.00	$0.00	$0.00	$21,000.00
2	2' RETAINING WALL	SF	7,080	$10.50	$74,340.00	$0.00	$0.00	$74,340.00
3	3' RETAINING WALL	SF	2,670	$10.50	$28,035.00	$0.00	$0.00	$28,035.00
4	4' RETAINING WALL	SF	2,880	$10.50	$30,240.00	$0.00	$0.00	$30,240.00
5	5' RETAINING WALL	SF	3,150	$11.50	$36,225.00	$0.00	$0.00	$36,225.00
6	7' RETAINING WALL	SF	1,225	$12.50	$15,312.50	$0.00	$0.00	$15,312.50
7	8' RETAINING WALL	SF	720	$13.50	$9,720.00	$0.00	$0.00	$9,720.00
8	9' RETAINING WALL	SF	2,115	$14.50	$30,667.50	$0.00	$0.00	$30,667.50
9	14' RETAINING WALL	SF	2,800	$20.50	$57,400.00	$0.00	$0.00	$57,400.00
10	PERIMETER SCREENING WALL (6' Masonry)	LF	1,900	$100.00	$190,000.00	$0.00	$190,000.00	$0.00
11	MAIN ENTRY FEATURE	EA	1	$75,000.00	$75,000.00	$0.00	$75,000.00	$0.00
12	TREES	EA	100	$450.00	$45,000.00	$0.00	$45,000.00	$0.00
13	COMMON AREA LANDSCAPE/IRRIGATION	SF	75,000	$1.90	$142,500.00	$0.00	$142,500.00	$0.00
14	POND BUBBLER	EA	2	$15,000.00	$30,000.00	$0.00	$0.00	$30,000.00
15	6' WOOD FENCE (EAST PROPERTY LINE)	LF	1,600	$40.00	$64,000.00	$0.00	$0.00	$64,000.00
16	INTERNAL PARK (Landscape & Irrigation)	SF	39,649	$3.00	$118,947.00	$118,947.00	$0.00	$0.00
17	PARK FENCING (Wrought Iron)	LF	600	$40.00	$24,000.00	$24,000.00	$0.00	$0.00
18	ELECTRIC METER SET UP FEES	EA	8	$3,500.00	$28,000.00	$21,000.00	$0.00	$7,000.00
19	3/4" WATER METERS AND IMPACT FEES	EA	8	$1,000.00	$8,000.00	$6,000.00	$0.00	$2,000.00
20	MAILBOX CLUSTER	EA	20	$1,550.00	$31,678.13	$0.00	$0.00	$31,678.13
21	STREET SIGNS	EA	19	$1,000.00	$19,000.00	$19,000.00	$0.00	$0.00
	TOTAL - SITE FENCING / RETAINING WALLS / LANDSCAPE:				**$1,079,065.13**	$188,947.00	$452,500.00	$437,618.13
				PER LOT:	**$3,300**	$578	$1,384	$1,338

DRY UTILITIES

ITEM NO.	DESCRIPTION	UNIT	ESTIMATED QUANTITY	UNIT PRICE	TOTAL PRICE	PID DIRECT	PID MI	NON-PID
1	ELECTRIC SERVICE	LOT	327	$0.00	$0.00	$0.00	$0.00	$0.00
2	GAS SERVICE	LOT	327	$0.00	$0.00	$0.00	$0.00	$0.00
3	OVERHEAD POLE RELOCATION	LS	1	$75,000.00	$75,000.00	$0.00	$0.00	$75,000.00
4	STREET LIGHTS	EA	17	$0.00	$0.00	$0.00	$0.00	$0.00
5	STREET LIGHT CROSSINGS	LF	800	18.00	$14,400.00	$0.00	$0.00	$14,400.00
	TOTAL - DRY UTILITIES:				**$89,400.00**	$0.00	$0.00	$89,400.00
				PER LOT:	**$273**	$0	$0	$273

ROLLBACK TAXES

ITEM NO.	DESCRIPTION	UNIT	ESTIMATED QUANTITY	UNIT PRICE	TOTAL PRICE	PID DIRECT	PID MI	NON-PID
1	ROLLBACK TAXES	AC	57.9	$1,500.00	$86,880.00	$0.00	$0.00	$86,880.00
	TOTAL - ROLLBACK TAXES:				**$86,880**	$0	$0	$86,880
				PER LOT:	**$266**	$0	$0	$266
	GRAND TOTAL - PHASE 1				**$10,144,448.90**	$6,885,092.79	$1,351,319.63	$1,957,155.63

BEL AIR VILLAGE - SHERMAN, TX
FUTURE PHASES - BUDGET

4/2/2021

ENGINEERING, CONSULTING, AND FEES

ITEM NO.	DESCREIPTION	UNIT	ESTIMATED QUANTITY	UNIT PRICE	TOTAL PRICE	PID DIRECT	PID MI	NON-PID
1	CIVIL ENGINEERING AND SURVEYING	LOT	618	$1,800.00	$1,112,400.00	$834,300.00	$278,100.00	$0.00
2	RECORD EASEMENT REVIEW	LS	0	$11,625.00	$0.00	$0.00	$0.00	$0.00
3	CONSTRUCTION MANAGEMENT	LOT	618	$1,500.00	$927,000.00	$695,250.00	$231,750.00	$0.00
4	INSPECTION FEES	%	4.0%	$12,184,838.47	$487,393.54	$365,545.15	$121,848.38	$0.00
5	CITY APPLICATION FEES	LS	1	$3,000.00	$3,000.00	$2,250.00	$750.00	$0.00
6	PRO-RATA	LOT	0	$1,150.00	$0.00	$0.00	$0.00	$0.00
7	PARKLAND DEDICATION FEES	LOT	618	$0.00	$0.00	$0.00	$0.00	$0.00
8	FINAL SOILS REPORT	LOT	618	$100.00	$61,800.00	$46,350.00	$15,450.00	$0.00
9	CMT	%	0.8%	$16,263,926.47	$130,111.41	$97,583.56	$32,527.85	$0.00
10	TRAFFIC IMPACT ANALYSIS	LS	0	$0.00	$0.00	$0.00	$0.00	$0.00
11	PHOTOMETRIC & LIGHTING PLANS	LS	1	$1,250.00	$1,250.00	$937.50	$312.50	$0.00
12	LANDSCAPE ARCHITECT	LS	1	$60,000.00	$60,000.00	$30,000.00	$30,000.00	$0.00
	TOTAL - ENGINEERING, CONSULTING, AND FEES:				**$2,782,954.95**	$2,072,216.21	$710,738.74	$0.00
				PER LOT:	**$4,503.16**	**$3,353.10**	**$1,150.06**	**$0.00**

GRADING AND SITE PREPARATION

EXCAVATION

ITEM NO.	DESCRIPTION	UNIT	ESTIMATED QUANTITY	UNIT PRICE	TOTAL PRICE	PID DIRECT	PID MI	NON-PID
1	CONSTRUCTION ENTRANCE	EA	1	$2,000.00	$2,000.00	$2,000.00	$0.00	$0.00
2	CLEARING AND GRUBBING	AC	149.90	$2,000.00	$299,800.00	$299,800.00	$0.00	$0.00
3	DEMO EXISTING STRUCTURES	LS	1	$20,000.00	$20,000.00	$20,000.00	$0.00	$0.00
4	DRAIN & DEMUCK POND	EA	0	$25,000.00	$0.00	$0.00	$0.00	$0.00
5	CAP EXISTING WELL	EA	1	$4,500.00	$4,500.00	$4,500.00	$0.00	$0.00
6	CLEARING OF SANITARY SEWER MAIN EASEMENT (OFFSITI	AC	2	$2,000.00	$4,000.00	$4,000.00	$0.00	$0.00
7	UNCLASSIFIED EXCAVATION (CUT)	LOT	618	$2,000.00	$1,236,000.00	$494,400.00	$0.00	$741,600.00
8	UNCLASSIFIED EXCAVATION (FILL)	LOT	618	$0.00	$0.00	$0.00	$0.00	$0.00
9	MOISTURE CONDITIONING 8' - OVER EXCAVATION	LOT	618	$3,300.00	$2,039,400.00	$0.00	$0.00	$2,039,400.00
10	POLY SEAL LOTS	LOT	618	$400.00	$247,200.00	$0.00	$0.00	$247,200.00
11	CMT (MOISTURE CONDITIONING)	LS	2%	$2,039,400.00	$40,788.00	$0.00	$0.00	$40,788.00
12	ROUGH LOT BENCHING	LOT	618	$150.00	$92,700.00	$0.00	$0.00	$92,700.00
13	FINAL LOT BENCHING	LOT	618	$150.00	$92,700.00	$0.00	$0.00	$92,700.00
	TOTAL - EXCAVATION WITH NO MOISTURE CONDITIONING:				**$4,079,088.00**	$824,700.00	$0.00	$3,254,388.00
				PER LOT:	$6,600.47	$1,334.47	$0.00	$5,266.00

EROSION CONTROL

ITEM NO.		UNIT	ESTIMATED QUANTITY	UNIT PRICE	TOTAL PRICE	PID DIRECT	PID MI	NON-PID
1	SILT FENCE	LF	23,000	$1.35	$31,050.00	$23,287.50	$7,762.50	$0.00
2	INLET PROTECTION	EA	54	$200.00	$10,800.00	$8,100.00	$2,700.00	$0.00
3	SEED DISTURBED AREAS	AC	40.00	$350.00	$14,000.00	$10,500.00	$3,500.00	$0.00
4	4' CURLEX	LF	40,000	$0.50	$20,000.00	$15,000.00	$5,000.00	$0.00
5	SWPPP	LS	1	$1,225.00	$1,225.00	$918.75	$306.25	$0.00
6	SWPPP INSPECTIONS	EA	12	$7,000.00	$84,000.00	$63,000.00	$21,000.00	$0.00
	TOTAL - EROSION CONTROL:				**$161,075.00**	$120,806.25	$40,268.75	$0.00
				PER LOT:	$260.64	$195.48	$65.16	$0.00

WET UTILITIES

ITEM NO.	DESCRIPTION	UNIT	ESTIMATED QUANTITY	UNIT PRICE	TOTAL PRICE	PID DIRECT	PID MI	NON-PID
	UTILITIES - WATER SYSTEMS							
1	8" AWWA C900 PVC WATERLINE & FITTINGS	LF	19,088	$24.00	$458,112.00	$458,112.00	$0.00	$0.00
2	12" AWWA C900 PVC WATERLINE & FITTINGS	LF	3,689	$36.00	$132,804.00	$0.00	$132,804.00	$0.00
3	12" GATE VALVE & BOX	EA	25	$5,000.00	$125,000.00	$0.00	$125,000.00	$0.00
4	8" GATE VALVE & BOX	EA	75	$1,300.00	$97,500.00	$97,500.00	$0.00	$0.00
5	3/4" IRRIGATION SERVICE	EA	5	$800.00	$4,000.00	$800.00	$3,200.00	$0.00
6	3/4" SINGLE WATER SERVICE	EA	618	$800.00	$494,400.00	$494,400.00	$0.00	$0.00
7	FIRE HYDRANT ASSEMBLY	EA	52	$4,000.00	$208,000.00	$168,000.00	$40,000.00	$0.00
8	TRENCH SAFTEY	LF	22,777	$1.00	$22,777.00	$19,088.00	$3,689.00	$0.00
9	TESTING (CITY-REQUIRED)	LF	22,777	$1.20	$27,332.40	$22,905.60	$4,426.80	$0.00
10	PAYMENT, PERFORMANCE, AND MAINTENANCE BOND	LF	4%	$1,569,925.40	$62,797.02	$50,432.22	$12,364.79	$0.00
	SUBTOTAL UTILITIES - WATER SYSTEMS:				**$1,632,722**	$1,311,238	$321,485	$0.00
				PER LOT:	$2,642	$2,122	$520	$0.00

UTILITIES - SANITARY SEWER

1	8" SDR-35 PVC PIPE	LF	19,373	$28.00	$542,444.00	$542,444.00	$0.00	$0.00
2	4.0' DIAMETER MANHOLE	EA	50	$4,600.00	$230,000.00	$230,000.00	$0.00	$0.00
3	8" SDR-35 PVC PIPE (TRUNK SEWER A)	EA	598	$28.00	$16,744.00	$0.00	$16,744.00	$0.00
4	10" SDR-26 PVC PIPE (TRUNK SEWER A)	LF	1,062	$36.00	$38,232.00	$0.00	$38,232.00	$0.00
5	12" SDR-26 PVC PIPE (TRUNK SEWER A)	LF	1,160	$50.00	$58,000.00	$0.00	$58,000.00	$0.00
6	15" SDR-26 PVC PIPE (TRUNK SEWER A)	LF	1,318	$60.00	$79,080.00	$0.00	$79,080.00	$0.00
7	4.0' DIAMETER MANHOLE (TRUNK SEWER A)	EA	7	$4,600.00	$32,200.00	$0.00	$32,200.00	$0.00
8	5.0' DIAMETER MANHOLE (TRUNK SEWER A)	EA	5	$6,500.00	$32,500.00	$0.00	$32,500.00	$0.00
9	CONNECT TO EXISTING MANHOLE (TRUNK SEWER A)	EA	1	$500.00	$500.00	$0.00	$500.00	$0.00
10	10" SDR-26 PVC PIPE (TRUNK SEWER B)	LF	519	$36.00	$18,684.00	$0.00	$2,802.60	$15,881.40
11	12" SDR-26 PVC PIPE (TRUNK SEWER B)	LF	804	$50.00	$40,200.00	$0.00	$6,030.00	$34,170.00
12	15" SDR-26 PVC PIPE (TRUNK SEWER B)	LF	1,042	$60.00	$62,520.00	$0.00	$9,378.00	$53,142.00
13	4.0' DIAMETER MANHOLE (TRUNK SEWER B)	EA	4	$4,600.00	$18,400.00	$0.00	$2,760.00	$15,640.00
14	5.0' DIAMETER MANHOLE (TRUNK SEWER B)	EA	4	$6,500.00	$26,000.00	$0.00	$3,900.00	$22,100.00
15	CONNECT TO EXISTING MANHOLE (TRUNK SEWER B)	EA	1	$500.00	$500.00	$0.00	$75.00	$425.00
16	5.0' DIAMETER DROP MANHOLE	EA	0	$7,500.00	$0.00	$0.00	$0.00	$0.00
17	CONCRETE ENCASEMENT	LF	0	$100.00	$0.00	$0.00	$0.00	$0.00
18	CONNECT TO EXISTING MANHOLE	EA	0	$500.00	$0.00	$0.00	$0.00	$0.00
19	4" SDR-35 SEWER SERVICES	EA	618	$875.00	$540,750.00	$540,750.00	$0.00	$0.00
20	END & 8" PLUG FOR FUTURE DEVELOPMENT	EA	0	$500.00	$0.00	$0.00	$0.00	$0.00
21	TRENCH SAFTEY	LF	19,991	$1.00	$19,991.00	$19,991.00	$0.00	$0.00
22	TESTING (CITY-REQUIRED)	LF	19,991	$0.75	$14,993.25	$14,993.25	$0.00	$0.00
23	TRENCH SAFTEY (TRUNK SEWER A)	LF	4,138	$0.64	$2,648.32	$0.00	$2,648.32	$0.00
24	TESTING (CITY-REQUIRED) (TRUNK SEWER A)	LF	4,138	$48.00	$198,624.00	$0.00	$198,624.00	$0.00
25	TRENCH SAFTEY (TRUNK SEWER B)	LF	2,365	$0.15	$354.75	$0.00	$354.75	$0.00
26	TESTING (CITY-REQUIRED) (TRUNK SEWER B)	LF	2,365	$0.11	$266.06	$0.00	$266.06	$0.00
27	PAYMENT, PERFORMANCE, AND MAINTENANCE BOND	LS	4%	1,973,631.38	$78,945.26	$78,945.26	$0.00	$0.00
	SUBTOTAL UTILITIES - SANITARY SEWER:				**$2,052,577**	$1,427,124	$484,095	$141,358.40
				PER LOT:	$3,321	$2,309	$783	$228.74

UTILITIES - STORM SEWER - PID DIRECT

1	4' x 4' R.C.B	LF	85	$275.00	$23,375.00	$23,375.00	$0.00	$0.00
2	42" Class III RCP	LF	2,189	$150.00	$328,350.00	$328,350.00	$0.00	$0.00
3	36 " Class III RCP	LF	1,117	$110.00	$122,870.00	$122,870.00	$0.00	$0.00
4	30" Class III RCP	LF	2,545	$80.00	$203,600.00	$203,600.00	$0.00	$0.00
5	24" Class III RCP	LF	6,757	$60.00	$405,420.00	$405,420.00	$0.00	$0.00
6	18" Class III RCP	LF	3,332	$53.00	$176,596.00	$176,596.00	$0.00	$0.00
7	3' x 3' JUNCTION BOX	EA	2	$3,000.00	$6,000.00	$6,000.00	$0.00	$0.00
8	4' x 4' JUNCTION BOX	EA	5	$3,800.00	$19,000.00	$19,000.00	$0.00	$0.00
9	5' x 5' JUNCTION BOX	EA	5	$4,500.00	$22,500.00	$22,500.00	$0.00	$0.00
10	10' CURB INLET	EA	108	$3,750.00	$405,000.00	$405,000.00	$0.00	$0.00
11	RIP-RAP	SY	50	$85.00	$4,250.00	$4,250.00	$0.00	$0.00
12	36" HEADWALL	EA	1	$4,400.00	$4,400.00	$4,400.00	$0.00	$0.00
13	42" HEADWALL	EA	3	$6,500.00	$19,500.00	$19,500.00	$0.00	$0.00
14	4' x 4' HEADWALL	EA	1	$18,750.00	$18,750.00	$18,750.00	$0.00	$0.00
15	TRENCH SAFETY	LF	16,025	$1.00	$16,025.00	$16,025.00	$0.00	$0.00
16	TESTING (CITY-REQUIRED)	LF	16,025	$1.00	$16,025.00	$16,025.00	$0.00	$0.00
17	PAYMENT, PERFORMANCE, AND MAINTENANCE BOND	LS	4%	$1,791,661.00	$71,666.44	$71,666.44	$0.00	$0.00
	SUBTOTAL UTILITIES - STORM SEWER:				**$1,863,327**	$1,863,327	$0	$0
				PER LOT:	$3,015	$3,015	$0	$0

UTILITIES - STORM SEWER - IMPORVEMENTS LINE C

1	24" Class III RCP	LF	88	$60.00	$5,280.00	$2,640.00	$2,640.00	$0.00
2	18" Class III RCP	LF	83	$53.00	$4,399.00	$0.00	$4,399.00	$0.00
3	3' x 3' JUNCTION BOX	EA	0	$3,000.00	$0.00	$0.00	$0.00	$0.00
4	10' CURB INLET	EA	0	$3,750.00	$0.00	$0.00	$0.00	$0.00
5	TRENCH SAFETY	LF	171	$1.00	$171.00	$0.00	$171.00	$0.00
6	TESTING (CITY-REQUIRED)	LF	171	$1.00	$171.00	$0.00	$171.00	$0.00
7	PAYMENT, PERFORMANCE, AND MAINTENANCE BOND	LS	4%	$10,021.00	$400.84	$0.00	$400.84	$0.00
	SUBTOTAL UTILITIES - STORM SEWER:				**$10,422**	$2,640	$7,782	$0
				PER LOT:	$17	$2,640	$7,782	$0

UTILITIES - STORM SEWER - IMPORVEMENTS LINE D

1	4' x 4' R.C.B	LF	105	$275.00	$28,875.00	$25,987.50	$2,887.50	$0.00
2	42" Class III RCP	LF	238	$150.00	$35,700.00	$32,130.00	$3,570.00	$0.00
3	36 " Class III RCP	LF	297	$110.00	$32,670.00	$29,403.00	$3,267.00	$0.00
4	18" Class III RCP	LF	232	$53.00	$12,296.00	$0.00	$12,296.00	$0.00
5	5' x 5' JUNCTION BOX	EA	0	$4,500.00	$0.00	$0.00	$0.00	$0.00
6	4' x 4' HEADWALL	EA	0	$18,750.00	$0.00	$0.00	$0.00	$0.00
7	10' CURB INLET	EA	3	$3,750.00	$11,250.00	$0.00	$11,250.00	$0.00
8	PAYMENT, PERFORMANCE, AND MAINTENANCE BOND	LS	4%	$120,791.00	$4,831.64	$4,348.48	$483.16	$0.00
	SUBTOTAL UTILITIES - STORM SEWER:				**$125,623**	$91,869	$33,754	$0
				PER LOT:	$203	$149	$55	$0

UTILITIES - STORM SEWER - IMPORVEMENTS LINE G

1	4' x 4' R.C.B	LF	165	$275.00	$45,375.00	$36,300.00	$9,075.00	$0.00
2	42" Class III RCP	LF	134	$150.00	$20,100.00	$16,080.00	$4,020.00	$0.00
3	30" Class III RCP	LF	606	$80.00	$48,480.00	$38,784.00	$9,696.00	$0.00
4	24" Class III RCP	LF	399	$60.00	$23,940.00	$0.00	$23,940.00	$0.00
5	18" Class III RCP	LF	112	$53.00	$5,936.00	$4,748.80	$1,187.20	$0.00
6	4' x 4' JUNCTION BOX	EA	0	$3,800.00	$0.00	$0.00	$0.00	$0.00
7	5' x 5' JUNCTION BOX	EA	0	$4,500.00	$0.00	$0.00	$0.00	$0.00
8	6' x 6' JUNCTION BOX	EA	0	$6,500.00	$0.00	$0.00	$0.00	$0.00
9	10' CURB INLET	EA	3	$3,750.00	$11,250.00	$0.00	$11,250.00	$0.00
10	RIP-RAP	SY	50	$85.00	$4,250.00	$3,400.00	$850.00	$0.00
11	4' x 4' HEADWALL	EA	0	$18,750.00	$0.00	$0.00	$0.00	$0.00
12	TRENCH SAFETY	LF	1,416	$1.00	$1,416.00	$1,132.80	$283.20	$0.00
13	TESTING (CITY-REQUIRED)	LF	1,416	$1.00	$1,416.00	$1,132.80	$283.20	$0.00
14	PAYMENT, PERFORMANCE, AND MAINTENANCE BOND	LS	4%	$162,163.00	$6,486.52	$5,189.22	$1,297.30	$0.00
	SUBTOTAL UTILITIES - STORM SEWER:				**$168,650**	$106,768	$61,882	$0
				PER LOT:	$273	$173	$100	$0

UTILITIES - STORM SEWER - IMPORVEMENTS LINE H

1	5' x 4' R.C.B	LF	223	$300.00	$66,900.00	$33,450.00	$33,450.00	$0.00
2	4' x 4' R.C.B	LF	71	$275.00	$19,525.00	$9,762.50	$9,762.50	$0.00
3	48" Class III RCP	LF	174	$180.00	$31,320.00	$0.00	$31,320.00	$0.00
4	42" Class III RCP	LF	97	$150.00	$14,550.00	$0.00	$14,550.00	$0.00
5	30" Class III RCP	LF	693	$80.00	$55,440.00	$0.00	$55,440.00	$0.00
6	18" Class III RCP	LF	643	$53.00	$34,079.00	$0.00	$34,079.00	$0.00
7	4' x 4' JUNCTION BOX	EA	1	$3,800.00	$3,800.00	$0.00	$3,800.00	$0.00
8	6' x 6' JUNCTION BOX	EA	1	$6,500.00	$6,500.00	$0.00	$6,500.00	$0.00
9	7' x 7' JUNCTION BOX	EA	1	$8,500.00	$8,500.00	$4,250.00	$4,250.00	$0.00
10	10' CURB INLET	EA	6	$3,750.00	$22,500.00	$0.00	$22,500.00	$0.00
11	RIP-RAP	SY	100	$85.00	$8,500.00	$4,250.00	$4,250.00	$0.00
12	5' x 4' HEADWALL	EA	1	$20,000.00	$20,000.00	$10,000.00	$10,000.00	$0.00
13	4' x 4' HEADWALL	EA	1	$18,750.00	$18,750.00	$9,375.00	$9,375.00	$0.00
14	TRENCH SAFETY	LF	1,901	$1.00	$1,901.00	$0.00	$1,901.00	$0.00
15	TESTING (CITY-REQUIRED)	LF	1,901	$1.00	$1,901.00	$0.00	$1,901.00	$0.00
16	PAYMENT, PERFORMANCE, AND MAINTENANCE BOND	LS	4%	$227,741.00	$9,109.64	$0.00	$9,109.64	$0.00
	SUBTOTAL UTILITIES - STORM SEWER:				**$236,851**	$27,875	$208,976	$0
				PER LOT:	$383	$45	$338	$0

UTILITIES - STORM SEWER -R IMPORVEMENTS LINE I

1	48" Class III RCP	LF	459	$180.00	$82,620.00	$53,703.00	$0.00	$28,917.00
2	42" Class III RCP	LF	369	$150.00	$55,350.00	$35,977.50	$0.00	$19,372.50
3	36 " Class III RCP	LF	421	$110.00	$46,310.00	$30,101.50	$0.00	$16,208.50
4	5' x 5' JUNCTION BOX	EA	1	$4,500.00	$4,500.00	$2,925.00	$0.00	$1,575.00
5	7' x 7' JUNCTION BOX	EA	1	$8,500.00	$8,500.00	$5,525.00	$0.00	$2,975.00
6	TRENCH SAFETY	LF	1,249	$1.00	$1,249.00	$811.85	$0.00	$437.15
7	TESTING (CITY-REQUIRED)	LF	1,249	$1.00	$1,249.00	$811.85	$0.00	$437.15
8	PAYMENT, PERFORMANCE, AND MAINTENANCE BOND	LS	4%	$199,778.00	$7,991.12	$5,194.23	$0.00	$2,796.89
	SUBTOTAL UTILITIES - STORM SEWER:				**$207,769**	$135,050	$0	$72,719
				PER LOT:	$336	$219	$0	$118

UTILITIES - STORM SEWER - MASTER IMPORVEMENTS LINE J

1	18" Class III RCP	LF	458	$53.00	$24,274.00	$0.00	$24,274.00	$0.00
2	10' CURB INLET	EA	4	$3,750.00	$15,000.00	$0.00	$15,000.00	$0.00
3	CONNECT TO EXISTING CULVERT	EA	1	$4,500.00	$4,500.00	$0.00	$4,500.00	$0.00
4	TRENCH SAFETY	LF	458	$1.00	$458.00	$0.00	$458.00	$0.00
5	TESTING (CITY-REQUIRED)	LF	458	$1.00	$458.00	$0.00	$458.00	$0.00
6	PAYMENT, PERFORMANCE, AND MAINTENANCE BOND	LS	4%	$44,690.00	$1,787.60	$0.00	$1,787.60	$0.00
	SUBTOTAL UTILITIES - STORM SEWER:				**$46,478**	$0	$46,478	$0
				PER LOT:	$75	$0	$75	$0

PAVING

ITEM NO.	DESCRIPTION	UNIT	ESTIMATED QUANTITY	UNIT PRICE	TOTAL PRICE	PID DIRECT	PID MI	NON-PID
1	LOCAL STREET (6" REINFORCED CONCRETE PVMT.)	SY	66,472	$36.00	$2,392,992.00	$2,392,992.00	$0.00	$0.00
2	ALLEY (6" REINFORCED CONCRETE PVMT.)	SY	5,866	$42.00	$246,372.00	$246,372.00	$0.00	$0.00
3	SLIP ROAD (6" REINFORCED CONCRETE PVMT.)	SY	562	$42.00	$23,604.00	$23,604.00	$0.00	$0.00
4	GRAND AVE PH. 2 (8" REINFORCED CONCRETE PVMT.)	SY	0	$45.00	$0.00	$0.00	$0.00	$0.00
5	LEGACY PARKWAY (8" REINFORCED CONCRETE PVMT.)	SY	15,971	$45.00	$718,695.00	$718,695.00	$0.00	$0.00
6	8" SUBGRADE PREP (LOCAL STREET)	SY	66,472	$3.25	$216,034.00	$216,034.00	$0.00	$0.00
7	8" SUBGRADE PREP (ALLEY)	SY	5,866	$3.25	$19,064.50	$19,064.50	$0.00	$0.00
8	8" SUBGRADE PREP (SLIP ROAD)	SY	562	$3.25	$1,826.50	$1,826.50	$0.00	$0.00
9	8" SUBGRADE PREP (GRAND AVE PH. 2)	SY	0	$3.25	$0.00	$0.00	$0.00	$0.00
10	8" SUBGRADE PREP (LEGACY PARKWAY)	SY	15,971	$3.25	$51,905.75	$51,905.75	$0.00	$0.00
11	HYDRATED LIME (36#/SY) (LOCAL STREET)	TON	2,393	$175.00	$418,773.60	$418,773.60	$0.00	$0.00
12	HYDRATED LIME (36#/SY) (ALLEY)	TON	211	$175.00	$36,955.80	$36,955.80	$0.00	$0.00
13	HYDRATED LIME (36#/SY) (SLIP ROAD)	TON	20	$175.00	$3,540.60	$3,540.60	$0.00	$0.00
14	HYDRATED LIME (36#/SY) (GRAND AVE PH. 2)	TON	0	$175.00	$0.00	$0.00	$0.00	$0.00
15	HYDRATED LIME (36#/SY) (LEGACY PARKWAY)	TON	575	$175.00	$100,617.30	$100,617.30	$0.00	$0.00
16	DECELERATION LANE	LS	0	$150,000.00	$0.00	$0.00	$0.00	$0.00
17	4' CONCRETE SIDEWALK	LF	0	$23.00	$0.00	$0.00	$0.00	$0.00
18	5' CONCRETE SIDEWALK	LF	37,663	$28.00	$1,054,564.00	$1,054,564.00	$0.00	$0.00
19	6' CONCRETE SIDEWALK	LF	4,979	$33.00	$164,307.00	$0.00	$164,307.00	$0.00
20	REMOVE BARRICADE & CONNECT TO EXISTING	EA	12	$650.00	$7,800.00	$0.00	$7,800.00	$0.00
21	STREET BARRICADE	EA	12	$2,500.00	$30,000.00	$0.00	$30,000.00	$0.00
22	PAVEMENT HEADER	LF	189	$33.00	$6,237.00	$0.00	$6,237.00	$0.00
23	BARRIER FREE RAMP	EA	70	$1,750.00	$122,500.00	$87,500.00	$35,000.00	$0.00
24	PAYMENT, PERFORMANCE, AND MAINTENANCE BOND	LS	4%	$5,615,789.05	$224,631.56	$214,897.80	$9,733.76	$0.00
	TOTAL PAVING:				**$5,840,421**	$5,587,343	$253,078	$0
				PER LOT:	$9,451	$9,041	$410	$0

SITE FENCING / RETAINING WALLS / LANDSCAPE

ITEM NO.	DESCRIPTION	UNIT	ESTIMATED QUANTITY	UNIT PRICE	TOTAL PRICE	PID DIRECT	PID MI	NON-PID
1	1' - 2' RETAINING WALL (MINIMUM HEIGHT)	SF	2,000	$10.50	$21,000.00	$0.00	$0.00	$21,000.00
2	2' RETAINING WALL	SF	7,080	$10.50	$74,340.00	$0.00	$0.00	$74,340.00
3	3' RETAINING WALL	SF	2,670	$10.50	$28,035.00	$0.00	$0.00	$28,035.00
4	4' RETAINING WALL	SF	2,880	$10.50	$30,240.00	$0.00	$0.00	$30,240.00
5	5' RETAINING WALL	SF	3,150	$11.50	$36,225.00	$0.00	$0.00	$36,225.00
6	7' RETAINING WALL	SF	1,225	$12.50	$15,312.50	$0.00	$0.00	$15,312.50
7	8' RETAINING WALL	SF	720	$13.50	$9,720.00	$0.00	$0.00	$9,720.00
8	9' RETAINING WALL	SF	2,115	$14.50	$30,667.50	$0.00	$0.00	$30,667.50
9	14' RETAINING WALL	SF	2,800	$20.50	$57,400.00	$0.00	$0.00	$57,400.00
10	PERIMETER SCREENING WALL (6' Masonry)	LF	3,000	$100.00	$300,000.00	$0.00	$0.00	$300,000.00
11	TREES	EA	200	$450.00	$90,000.00	$0.00	$0.00	$90,000.00
12	POND BUBBLER	EA	2	$15,000.00	$30,000.00	$30,000.00	$0.00	$0.00
13	6' WOOD FENCE (EAST PROPERTY LINE)	LF	1,600	$40.00	$64,000.00	$64,000.00	$0.00	$0.00
14	INTERNAL PARK	SF	80,000	$2.75	$220,000.00	$220,000.00	$0.00	$0.00
15	PARK FENCING (Wrought Iron)?	LF	600	$40.00	$24,000.00	$24,000.00	$0.00	$0.00
16	ELECTRIC METER SET UP FEES	EA	5	$3,500.00	$17,500.00	$0.00	$0.00	$17,500.00
17	3/4 WATER METERS AND IMPACT FEES	EA	5	$1,000.00	$5,000.00	$5,000.00	$0.00	$0.00
18	2" WATER METERS AND IMPACT FEES	EA	0	$23,868.00	$0.00	$0.00	$0.00	$0.00
19	TRAFFIC LIGHT (FM 1417 & GRAND AVE.)	EA	0	$350,000.00	$0.00	$0.00	$0.00	$0.00
20	MAILBOX CLUSTER	EA	39	$1,550.00	$59,868.75	$0.00	$0.00	$59,868.75
21	STREET SIGNS	EA	13	$1,000.00	$13,000.00	$13,000.00	$0.00	$0.00
	TOTAL - SITE FENCING / RETAINING WALLS / LANDSCAPE:				**$1,126,309**	$356,000	$0	$770,309
				PER LOT:	$1,823	$576	$0	$1,246

DRY UTILITIES

ITEM NO.	DESCRIPTION	UNIT	ESTIMATED QUANTITY	UNIT PRICE	TOTAL PRICE	PID DIRECT	PID MI	NON-PID
1	ELECTRIC SERVICE	LOT	618	$0.00	$0.00	$0.00	$0.00	$0.00
2	GAS SERVICE	LOT	618	$0.00	$0.00	$0.00	$0.00	$0.00
3	OVERHEAD POLE RELOACTION	LS	0	$75,000.00	$0.00	$0.00	$0.00	$0.00
4	STREET LIGHTS	EA	36	$0.00	$0.00	$0.00	$0.00	$0.00
5	STREET LIGHT CROSSINGS	LF	1500	18.00	$27,000.00	$0.00	$0.00	$27,000.00
	TOTAL - DRY UTILITIES:				**$27,000**	$0	$0	$27,000
				PER LOT:	$44	$0	$0	$44

ROLLBACK TAXES

ITEM NO.	DESCRIPTION	UNIT	ESTIMATED QUANTITY	UNIT PRICE	TOTAL PRICE	PID DIRECT	PID MI	NON-PID
1	ROLLBACK TAXES	AC	153.5	$1,500.00	$230,220.00	$0.00	$0.00	$230,220.00
	TOTAL - DRY UTILITIES:				**$230,220**	$0	$0	$230,220
				PER LOT:	$373	$0	$0	$373
					$20,591,485.17	**$13,926,955.60**	**$2,168,535.22**	**$4,495,994.34**

BEL AIR VILLAGE - SHERMAN, TX
BEL AIR BOULEVARD - PHASE 1 BUDGET

4/2/2021

ENGINEERING, CONSULTING, AND FEES

ITEM NO.	DESCREIPTION	UNIT	ESTIMATED QUANTITY	UNIT PRICE	TOTAL PRICE	PID DIRECT	PID MI	NON-PID
1	CIVIL ENGINEERING AND SURVEYING	%	10%	$1,673,418.49	$167,341.85	$0.00	$0.00	$167,341.85
2	CONSTRUCTION MANAGEMENT	%	3.5%	$1,673,418.49	$58,569.65	$0.00	$0.00	$58,569.65
3	INSPECTION FEES	%	0%	$1,673,418.49	$0.00	$0.00	$0.00	$0.00
4	FINAL SOILS REPORT	LS	1	$3,000.00	$3,000.00	$0.00	$0.00	$3,000.00
5	CMT	%	2%	$1,673,418.49	$33,468.37	$0.00	$0.00	$33,468.37
6	PHOTOMETRIC & LIGHTING PLANS	LS	1	$1,250.00	$1,250.00	$0.00	$0.00	$1,250.00
7	LANDSCAPE ARCHITECT	LS	1	$25,000.00	$25,000.00	$0.00	$0.00	$25,000.00
	TOTAL - ENGINEERING, CONSULTING, AND FEES:				**$288,630**	$0	$0	$288,630

GRADING AND SITE PREPARATION

EXCAVATION

ITEM NO.	DESCRIPTION	UNIT	ESTIMATED QUANTITY	UNIT PRICE	TOTAL PRICE	PID DIRECT	PID MI	NON-PID
1	CLEARING AND GRUBBING	AC	1.80	$2,000.00	$3,600.00	$0.00	$0.00	$3,600.00
2	UNCLASSIFIED EXCAVATION (CUT)	CY	4,835	$2.30	$11,120.50	$0.00	$0.00	$11,120.50
3	UNCLASSIFIED EXCAVATION (FILL)	CY	1,335	$2.30	$3,070.50	$0.00	$0.00	$3,070.50
	TOTAL - EXCAVATION WITH NO MOISTURE CONDITIONING:				**$17,791**	$0	$0	$17,791

EROSION CONTROL

ITEM NO.		UNIT	ESTIMATED QUANTITY	UNIT PRICE	TOTAL PRICE	PID DIRECT	PID MI	NON-PID
1	SILT FENCE	LF	1,000	$1.35	$1,350.00	$0.00	$0.00	$1,350.00
2	INLET PROTECTION	EA	1	$200.00	$200.00	$0.00	$0.00	$200.00
3	SEED DISTURBED AREAS	AC	0.00	$350.00	$0.00	$0.00	$0.00	$0.00
4	4' CURLEX	LF	2,000	$0.50	$1,000.00	$0.00	$0.00	$1,000.00
5	SWPPP	LS	1	$1,225.00	$1,225.00	$0.00	$0.00	$1,225.00
6	SWPPP INSPECTIONS	EA	12	$600.00	$7,200.00	$0.00	$0.00	$7,200.00
	TOTAL - EROSION CONTROL:				**$10,975**	$0	$0	$10,975

WET UTILITIES

ITEM NO.	DESCRIPTION	UNIT	ESTIMATED QUANTITY	UNIT PRICE	TOTAL PRICE	PID DIRECT	PID MI	NON-PID
UTILITIES - WATER SYSTEMS								
1	8" AWWA C900 PVC WATERLINE & FITTINGS	LF	60	$24.00	$1,440.00	$0.00	$0.00	$1,440.00
2	12" AWWA C900 PVC WATERLINE & FITTINGS	LF	1,288	$36.00	$46,368.00	$0.00	$0.00	$46,368.00
3	20" x 12" TEE	EA	1	$2,500.00	$10,000.00	$0.00	$0.00	$10,000.00
4	12" GATE VALVE & BOX	EA	9	$5,000.00	$45,000.00	$0.00	$0.00	$45,000.00
5	8" GATE VALVE & BOX	EA	2	$1,300.00	$2,600.00	$0.00	$0.00	$2,600.00
6	24" BUTTERFLY VALVE	EA	1	$10,000.00	$10,000.00	$0.00	$0.00	$10,000.00
7	3/4" IRRIGATION SERVICE	EA	3	$800.00	$2,400.00	$0.00	$0.00	$2,400.00
8	FIRE HYDRANT ASSEMBLY	EA	4	$4,000.00	$16,000.00	$0.00	$0.00	$16,000.00
9	TRENCH SAFTEY	LF	1,348	$2.00	$2,696.00	$0.00	$0.00	$2,696.00
10	TESTING (CITY-REQUIRED)	LF	1,348	$2.00	$2,696.00	$0.00	$0.00	$2,696.00
11	PAYMENT, PERFORMANCE, AND MAINTENANCE BOND	LF	4%	$139,200.00	$5,568.00	$0.00	$0.00	$5,568.00
	SUBTOTAL UTILITIES - WATER SYSTEMS:				**$144,768**	$0	$0	$144,768

UTILITIES - STORM SEWER - MASTER IMPROVEMENT - LINE B

Total Infr

1	5' x 5' R.C.B	LF	11	$350.00	$3,977.19	$0.00	$0.00	$3,977.19
2	(3) 8' x 4' R.C.B.	LF	3	$1,900.00	$6,099.00	$0.00	$0.00	$6,099.00
3	48" Class III RCP	LF	132	$180.00	$23,841.22	$0.00	$0.00	$23,841.22
4	36 " Class III RCP	LF	77	$110.00	$8,498.95	$0.00	$0.00	$8,498.95
5	24" Class III RCP	LF	141	$60.00	$8,451.65	$0.00	$0.00	$8,451.65
6	18" Class III RCP	LF	28	$53.00	$1,485.70	$0.00	$0.00	$1,485.70
7	4' x 4' JUNCTION BOX	EA	0	$3,800.00	$0.00	$0.00	$0.00	$0.00
8	6' x 6' JUNCTION BOX	EA	0	$6,500.00	$0.00	$0.00	$0.00	$0.00
9	7' x 7' JUNCTION BOX	EA	6%	$8,500.00	$545.70	$0.00	$0.00	$545.70
10	10' CURB INLET	EA	4	$3,750.00	$15,000.00	$0.00	$0.00	$15,000.00
11	RIP-RAP	SY	3	$85.00	$272.85	$0.00	$0.00	$272.85
12	5' x 5' HEADWALL	EA	6%	$20,000.00	$1,284.00	$0.00	$0.00	$1,284.00
13	CUSTOM HEADWALL	EA	6%	$22,000.00	$1,412.40	$0.00	$0.00	$1,412.40
14	TRENCH SAFETY	LF	393	$1.00	$393.18	$0.00	$0.00	$393.18
15	TESTING (CITY-REQUIRED)	LF	393	$1.00	$393.18	$0.00	$0.00	$393.18
16	PAYMENT, PERFORMANCE, AND MAINTENANCE BOND	LF	4%	$71,655.01	$2,866.20	$0.00	$0.00	$2,866.20
	SUBTOTAL UTILITIES - STORM SEWER:				**$74,521**	$0	$0	$74,521

PAVING

ITEM NO.	DESCRIPTION	UNIT	ESTIMATED QUANTITY	UNIT PRICE	TOTAL PRICE	PID DIRECT	PID MI	NON-PID
1	GRAND AVE (8" REINFORCED CONCRETE PVMT.)	SY	8,106	$57.00	$462,042.00	$0.00	$0.00	$462,042.00
2	8" SUBGRADE PREP (GRAND AVE)	SY	8,106	$3.25	$26,344.50	$0.00	$0.00	$26,344.50
3	HYDRATED LIME (36#/SY) (GRAND AVE)	TON	292	$175.00	$51,067.80	$0.00	$0.00	$51,067.80
4	6' CONCRETE SIDEWALK	LF	2,105	$33.00	$69,465.00	$0.00	$0.00	$69,465.00
5	STREET BARRICADE	EA	3	$2,500.00	$7,500.00	$0.00	$0.00	$7,500.00
6	PAVEMENT HEADER	LF	210	$33.00	$6,930.00	$0.00	$0.00	$6,930.00
7	BARRIER FREE RAMP	EA	8	$2,000.00	$16,000.00	$0.00	$0.00	$16,000.00
8	DECELERATION LANE ON FM 1417	LS	1	$150,000.00	$150,000.00	$0.00	$0.00	$150,000.00
9	TRAFFIC LIGHT (FM 1417 & GRAND AVE.)	EA	1	$350,000.00	$350,000.00	$0.00	$0.00	$350,000.00
10	PAYMENT, PERFORMANCE, AND MAINTENANCE BOND	LF	4%	$639,349.30	$25,573.97	$0.00	$0.00	$25,573.97
	TOTAL PAVING:				**$1,164,923.27**	$0.00	$0.00	$1,164,923.27

SITE FENCING / RETAINING WALLS / LANDSCAPE

ITEM NO.	DESCRIPTION	UNIT	ESTIMATED QUANTITY	UNIT PRICE	TOTAL PRICE	PID DIRECT	PID MI	NON-PID
1	TREES	EA	40	$450.00	$18,000.00	$0.00	$0.00	$18,000.00
2	COMMON AREA LANDSCAPE/IRRIGATION	SF	80,000	$2.75	$220,000.00	$0.00	$0.00	$220,000.00
3	ELECTRIC METER SET UP FEES	EA	3	$3,500.00	$10,500.00	$0.00	$0.00	$10,500.00
4	3/4" WATER METERS AND IMPACT FEES	EA	3	$1,000.00	$3,000.00	$0.00	$0.00	$3,000.00
5	STREET SIGNS	EA	4	$435.00	$1,740.00	$0.00	$0.00	$1,740.00
	TOTAL - SITE FENCING / RETAINING WALLS / LANDSCAPE:				**$253,240.00**	$0.00	$0.00	$1,740.00

DRY UTILITIES

ITEM NO.	DESCRIPTION	UNIT	ESTIMATED QUANTITY	UNIT PRICE	TOTAL PRICE	PID DIRECT	PID MI	NON-PID
1	STREET LIGHTS	EA	7	$0.00	$0.00	$0.00	$0.00	$0.00
2	STREET LIGHT CROSSINGS	LF	400	18.00	$7,200.00	$0.00	$0.00	$7,200.00
	TOTAL - DRY UTILITIES:				**$7,200.00**	$0.00	$0.00	$7,200.00

ROLLBACK TAXES

ITEM NO.	DESCRIPTION	UNIT	ESTIMATED QUANTITY	UNIT PRICE	TOTAL PRICE	PID DIRECT	PID MI	NON-PID
1	ROLLBACK TAXES	AC	57.9	$0.00	$0.00	$0.00	$0.00	$0.00
	TOTAL - ROLLBACK TAXES:				**$0**	$0	$0	$0

GRAND TOTAL - PHASE 1

$1,962,048.35	$0.00	$0.00	$1,710,548.35
$6,000.15			

BEL AIR VILLAGE - SHERMAN, TX
BEL AIR BOULEVARD - FUTURE PHASE BUDGET

4/2/2021

ENGINEERING, CONSULTING, AND FEES

ITEM NO.	DESCREIPTION	UNIT	ESTIMATED QUANTITY	UNIT PRICE	TOTAL PRICE	PID DIRECT	PID MI	NON-PID
1	CIVIL ENGINEERING AND SURVEYING	LS	10%	$1,302,479.54	$130,247.95	$0.00	$0.00	$130,247.95
2	CONSTRUCTION MANAGEMENT	LS	3.5%	$1,302,479.54	$45,586.78	$0.00	$0.00	$45,586.78
3	INSPECTION FEES	%	0.0%	$1,302,479.54	$0.00	$0.00	$0.00	$0.00
4	FINAL SOILS REPORT	LOT	1	$6,500.00	$6,500.00	$0.00	$0.00	$6,500.00
5	CMT	%	2%	$1,284,199.54	$25,683.99	$0.00	$0.00	$25,683.99
6	PHOTOMETRIC & LIGHTING PLANS	LS	1	$1,250.00	$1,250.00	$0.00	$0.00	$1,250.00
7	LANDSCAPE ARCHITECT	LS	1	$38,000.00	$38,000.00	$0.00	$0.00	$38,000.00
	TOTAL - ENGINEERING, CONSULTING, AND FEES:				**$247,268.73**	$0.00	$0.00	$247,268.73

GRADING AND SITE PREPARATION

EXCAVATION

ITEM NO.	DESCRIPTION	UNIT	ESTIMATED QUANTITY	UNIT PRICE	TOTAL PRICE	PID DIRECT	PID MI	NON-PID
1	CLEARING AND GRUBBING	AC	3.60	$2,000.00	$7,200.00	$0.00	$0.00	$7,200.00
2	UNCLASSIFIED EXCAVATION (CUT)	CY	9,665	$2.30	$22,229.50	$0.00	$0.00	$22,229.50
3	UNCLASSIFIED EXCAVATION (FILL)	CY	2,665	$2.30	$6,129.50	$0.00	$0.00	$6,129.50
	TOTAL - EXCAVATION WITH NO MOISTURE CONDITIONING:				**$35,559.00**	$0.00	$0.00	$35,559.00

EROSION CONTROL

ITEM NO.		UNIT	ESTIMATED QUANTITY	UNIT PRICE	TOTAL PRICE	PID DIRECT	PID MI	NON-PID
1	SILT FENCE	LF	1,300	$1.35	$1,755.00	$0.00	$0.00	$1,755.00
2	INLET PROTECTION	EA	4	$200.00	$800.00	$0.00	$0.00	$800.00
3	SEED DISTURBED AREAS	AC	0.00	$350.00	$0.00	$0.00	$0.00	$0.00
4	4' CURLEX	LF	5,000	$0.50	$2,500.00	$0.00	$0.00	$2,500.00
5	SWPPP	LS	1	$1,225.00	$1,225.00	$0.00	$0.00	$1,225.00
6	SWPPP INSPECTIONS	EA	12	$1,000.00	$12,000.00	$0.00	$0.00	$12,000.00
	TOTAL - EROSION CONTROL:				**$18,280.00**	$0.00	$0.00	$18,280.00

WET UTILITIES

ITEM NO.	DESCRIPTION	UNIT	ESTIMATED QUANTITY	UNIT PRICE	TOTAL PRICE	PID DIRECT	PID MI	NON-PID
UTILITIES - WATER SYSTEMS								
1	8" AWWA C900 PVC WATERLINE & FITTINGS	LF	100	$24.00	$2,400.00	$0.00	$0.00	$2,400.00
2	12" AWWA C900 PVC WATERLINE & FITTINGS	LF	2,275	$36.00	$81,900.00	$0.00	$0.00	$81,900.00
3	12" GATE VALVE & BOX	EA	5	$5,000.00	$25,000.00	$0.00	$0.00	$25,000.00
4	8" GATE VALVE & BOX	EA	3	$1,300.00	$3,900.00	$0.00	$0.00	$3,900.00
5	3/4" IRRIGATION SERVICE	EA	6	$800.00	$4,800.00	$0.00	$0.00	$4,800.00
6	FIRE HYDRANT ASSEMBLY	EA	4	$4,000.00	$16,000.00	$0.00	$0.00	$16,000.00
7	TRENCH SAFTEY	LF	2,375	$1.00	$2,375.00	$0.00	$0.00	$2,375.00
8	TESTING (CITY-REQUIRED)	LF	2,375	$1.20	$2,850.00	$0.00	$0.00	$2,850.00
9	PAYMENT, PERFORMANCE, AND MAINTENANCE BOND	LF	4%	$139,225.00	$5,569.00	$0.00	$0.00	$5,569.00
	SUBTOTAL UTILITIES - WATER SYSTEMS:				**$144,794**	$0	$0	$144,794.00
UTILITIES - STORM SEWER - MASTER IMPORVEMENTS LINE C								
1	24" Class III RCP	LF	89	$60.00	$5,310.00	$0.00	$0.00	$5,310.00
2	18" Class III RCP	LF	84	$53.00	$4,425.50	$0.00	$0.00	$4,425.50
3	3' x 3' JUNCTION BOX	EA	1	$3,000.00	$3,000.00	$0.00	$0.00	$3,000.00
4	10' CURB INLET	EA	2	$3,750.00	$7,500.00	$0.00	$0.00	$7,500.00
5	TRENCH SAFETY	LF	172	$1.00	$172.00	$0.00	$0.00	$172.00
6	TESTING (CITY-REQUIRED)	LF	172	$1.00	$172.00	$0.00	$0.00	$172.00
7	PAYMENT, PERFORMANCE, AND MAINTENANCE BOND	LF	4%	$20,579.50	$823.18	$0.00	$0.00	$823.18
	SUBTOTAL UTILITIES - STORM SEWER:				**$21,403**	$0	$0	$21,403
UTILITIES - STORM SEWER - MASTER IMPORVEMENTS LINE D								
1	4' x 4' R.C.B	LF	12	$275.00	$3,217.50	$0.00	$0.00	$3,217.50
2	42" Class III RCP	LF	27	$150.00	$3,975.00	$0.00	$0.00	$3,975.00
3	36 " Class III RCP	LF	33	$110.00	$3,630.00	$0.00	$0.00	$3,630.00
4	18" Class III RCP	LF	26	$53.00	$1,367.40	$0.00	$0.00	$1,367.40
5	5' x 5' JUNCTION BOX	EA	1	$4,500.00	$4,500.00	$0.00	$0.00	$4,500.00
6	4' x 4' HEADWALL	EA	1	$18,750.00	$18,750.00	$0.00	$0.00	$18,750.00
7	10' CURB INLET	EA	1	$3,750.00	$3,750.00	$0.00	$0.00	$3,750.00
8	TRENCH SAFETY	LF	97	$1.00	$97.00	$0.00	$0.00	$97.00
9	TESTING (CITY-REQUIRED)	LF	97	$1.00	$97.00	$0.00	$0.00	$97.00
10	PAYMENT, PERFORMANCE, AND MAINTENANCE BOND	LF	4%	$28,561.40	$1,142.46	$0.00	$0.00	$1,142.46
	SUBTOTAL UTILITIES - STORM SEWER:				**$40,526**	$0	$0	$40,526
UTILITIES - STORM SEWER - MASTER IMPORVEMENTS LINE G								
1	4' x 4' R.C.B	LF	41	$275.00	$11,330.00	$0.00	$0.00	$11,330.00
2	42" Class III RCP	LF	33	$150.00	$5,010.00	$0.00	$0.00	$5,010.00
3	30" Class III RCP	LF	152	$80.00	$12,128.00	$0.00	$0.00	$12,128.00
4	24" Class III RCP	LF	100	$60.00	$5,988.00	$0.00	$0.00	$5,988.00
5	18" Class III RCP	LF	28	$53.00	$1,484.00	$0.00	$0.00	$1,484.00
6	4' x 4' JUNCTION BOX	EA	1	$3,800.00	$3,800.00	$0.00	$0.00	$3,800.00
7	5' x 5' JUNCTION BOX	EA	1	$4,500.00	$4,500.00	$0.00	$0.00	$4,500.00
8	6' x 6' JUNCTION BOX	EA	1	$6,500.00	$6,500.00	$0.00	$0.00	$6,500.00
9	10' CURB INLET	EA	1	$3,750.00	$3,750.00	$0.00	$0.00	$3,750.00
10	RIP-RAP	SY	50	$85.00	$4,250.00	$0.00	$0.00	$4,250.00
11	4' x 4' HEADWALL	EA	1	$18,750.00	$18,750.00	$0.00	$0.00	$18,750.00
12	TRENCH SAFETY	LF	354	$1.00	$354.00	$0.00	$0.00	$354.00
13	TESTING (CITY-REQUIRED)	LF	354	$1.00	$354.00	$0.00	$0.00	$354.00
14	PAYMENT, PERFORMANCE, AND MAINTENANCE BOND	LF	4%	$78,198.00	$3,127.92	$0.00	$0.00	$3,127.92
	SUBTOTAL UTILITIES - STORM SEWER:				**$81,326**	$0	$0	$81,326

PAVING

ITEM NO.	DESCRIPTION	UNIT	ESTIMATED QUANTITY	UNIT PRICE	TOTAL PRICE	PID DIRECT	PID MI	NON-PID
1	GRAND AVE PH. 2 (8" REINFORCED CONCRETE PVMT.)	SY	14,065	$45.00	$632,925.00	$0.00	$0.00	$632,925.00
2	8" SUBGRADE PREP (GRAND AVE PH. 2)	SY	14,065	$3.25	$45,711.25	$0.00	$0.00	$45,711.25
3	HYDRATED LIME (36#/SY) (GRAND AVE PH. 2)	TON	506	$175.00	$88,609.50	$0.00	$0.00	$88,609.50
4	6' CONCRETE SIDEWALK	LF	4,500	$33.00	$148,500.00	$0.00	$0.00	$148,500.00
5	REMOVE BARRICADE & CONNECT TO EXISTING	EA	2	$650.00	$1,300.00	$0.00	$0.00	$1,300.00
6	STREET BARRICADE	EA	0	$2,500.00	$0.00	$0.00	$0.00	$0.00
7	PAVEMENT HEADER	LF	200	$33.00	$6,600.00	$0.00	$0.00	$6,600.00
7	BARRIER FREE RAMP	EA	0	$1,750.00	$0.00	$0.00	$0.00	$0.00
8	PAYMENT, PERFORMANCE, AND MAINTENANCE BOND	LF	4%	$923,645.75	$36,945.83	$0.00	$0.00	$36,945.83
	TOTAL PAVING:				**$960,592**	$0	$0	$960,592

SITE FENCING / RETAINING WALLS / LANDSCAPE

ITEM NO.	DESCRIPTION	UNIT	ESTIMATED QUANTITY	UNIT PRICE	TOTAL PRICE	PID DIRECT	PID MI	NON-PID
1	TREES	EA	50	$450.00	$22,500.00	$0.00	$0.00	$22,500.00
2	LANDSCAPE AND IRRIGATION	SF	60,000	$2.75	$165,000.00	$0.00	$0.00	$165,000.00
3	ELECTRIC METER SET UP FEES	EA	6	$3,500.00	$21,000.00	$0.00	$0.00	$21,000.00
4	3/4" WATER METERS AND IMPACT FEES	EA	6	$1,000.00	$6,000.00	$0.00	$0.00	$6,000.00
5	STREET SIGNS	EA	10	$435.00	$4,350.00	$0.00	$0.00	$4,350.00
	TOTAL - SITE FENCING / RETAINING WALLS / LANDSCAPE:				**$218,850**	$0	$0	$218,850

DRY UTILITIES

ITEM NO.	DESCRIPTION	UNIT	ESTIMATED QUANTITY	UNIT PRICE	TOTAL PRICE	PID DIRECT	PID MI	NON-PID
1	STREET LIGHTS	EA	15	$0.00	$0.00	$0.00	$0.00	$0.00
2	STREET LIGHT CROSSINGS	LF	1500	18.00	$27,000.00	$0.00	$0.00	$27,000.00
	TOTAL - DRY UTILITIES:				**$27,000**	$0	$0	$27,000

ROLLBACK TAXES

ITEM NO.	DESCRIPTION	UNIT	ESTIMATED QUANTITY	UNIT PRICE	TOTAL PRICE	PID DIRECT	PID MI	NON-PID
1	ROLLBACK TAXES	AC	0.0	$1,500.00	$0.00	$0.00	$0.00	$0.00
	TOTAL - DRY UTILITIES:				**$0**	$0	$0	$0

$1,795,598.26	**$0.00**	**$0.00**	**$1,795,598.26**
$2,905.50	$0.00		

APPENDIX B-2
ALLOCATION OF THE AUTHORIZED IMPROVEMENTS

Storm Drainage Improvements

Storm drainage pipes included in this PID were sized based on City of Sherman Drainage Ordinance to convey the 100 yr storm based on full flow capacity at 1% slope. The storm drainage area map is based on anticipated drainage basins at full buildout utilizing a C factor of 0.55 for residential use, and an antecedent factor of 1.25. All storm pipes included in phase 1 PID only collect drainage from phase 1 PID except for Line B as noted in the SAP. A portion of Bel-Air Boulevard drains to Line B which is not included in this PID since this is a city cost and noted as a non-PID cost in the PID OPC. The drainage basin of line B joins the entire phase 1 drainage system at a 7'x7' junction box and outfalls into a detention pond that ultimately discharges via (3) 8x4 drainage pipes from the detention pond to offsite drainage swale, noted phase 1 shared use below. The detention pond necessary for phase 1 construction is a regional detention pond utilized by future phases. These percentages of flow were utilized to calculate the shared cost between these uses. Costs referenced in this description derived from the OPC prepared by Lenart Development Company, LLC dated 03/29/2021.

LINE B SHARED USE		
	FLOW (CFS)	FLOW (%)
FUTURE PHASE (PID MI)	32.142	29.13%
BEL AIR BLVD (Non PID)	19.338	17.52%
PID DIRECT	58.872	53.35%
TOTAL LINE B	110.352	100.00%

PHASE 1 SHARED USE		
	FLOW (CFS)	FLOW (%)
FUTURE PHASE (PID MI)	32.142	10.67%
BEL AIR BLVD (Non PID)	19.338	6.42%
PID DIRECT	249.62	82.90%
TOTAL LINE	301.1	100.00%

DETENTION OUTFALL SHARED USE		
	FLOW (CFS)	FLOW (%)
FUTURE PHASE (PID MI)	144.276	34.91%
BEL AIR BLVD (Non PID)	19.338	4.68%
PID DIRECT	249.62	60.41%
TOTAL LINE	413.234	100.00%

PID direct costs include:

- 53.35% of cost from the following Line B storm sewer improvements:
  - 48" Class III RCP, 36" Class III RCP, 24" Class III RCP, 18" Class III RCP, 4'x4' Junction Box, 6'x6' Junction Box, (9) 10' Curb Inlets,
- 82.90% of cost from the following storm sewer improvements:
  - 5'x4' RCB, 7'X7' junction box, Rip Rap, 5'x5' headwall, trench safety, testing, and payment, performance, and maintenance bond.
- 60.41% of costs from the following storm sewer improvements related to regional detention pond outfall:
  - (3) 8'X4' RCB, Custom 10'x10' detention Junction Box, and Custom headwall

Total PID Direct Cost of shared storm drainage improvements: $398,643.69

Future phases (PID MI) costs include:

- 29.13% of cost from the following Line B storm sewer improvements:
  - 48" Class III RCP, 36" Class III RCP, 24" Class III RCP, 18" Class III RCP, 4'x4' Junction Box, 6'x6' Junction Box, (2) 10' Curb Inlets,
- 10.67% of cost from the following storm sewer improvements:
  - 5'x45' RCB, (3) 8'X4' RCB, 7'X7' junction box, Rip Rap, 5'x5' headwall, Custom headwall, trench safety, testing, and payment, performance, and maintenance bond.
- 34.91% of costs from the following storm sewer improvements related to regional detention pond outfall:
  - (3) 8'X4' RCB, Custom 10'x10' detention Junction Box, and Custom headwall

Total PID MI Cost of shared storm drainage improvements: $139,147.49

Bel-Air Blvd (Non-PID) costs include:

- 17.52% of cost from the following Line B storm sewer improvements:
  - 48" Class III RCP, 36" Class III RCP, 24" Class III RCP, 18" Class III RCP, 4'x4' Junction Box, 6'x6' Junction Box, (4) 10' Curb Inlets,
- 6.42% of cost from the following storm sewer improvements:
  - 5'x45' RCB, (3) 8'X4' RCB, 7'X7' junction box, Rip Rap, 5'x5' headwall, Custom headwall, trench safety, testing, and payment, performance, and maintenance bond.
- 4.68% of costs from the following storm sewer improvements related to regional detention pond outfall:
  - (3) 8'X4' RCB, Custom 10'x10' detention Junction Box, and Custom headwall

Total Non-PID Cost of shared storm drainage improvements: $70,989.40

<u>Sanitary Sewer Improvements</u>

The city of Sherman has no known published sanitary sewer sizing guide lines, therefore, a nearby established city's (Frisco) engineering standards were utilized in this design. The proposed land use (residential) was utilized to generate a peak sewer demand. Design factors include 3.5 persons/unit utilizing 102 gallons per person per day which totals 357 gallons per day/lot. A peaking factor of 4, per TCEQ requirements, was utilized to generate the peak demand of 1,224 gpd/lot. Phase 1 PID includes 327 lots and connects to a shared trunk line (Trunk Line A). This trunk line serves multiple phases, therefore should be shared based on usage of the line. Because only residential utilizes this trunk line, a percentage of lots sewering to the line should be utilized to calculate the shared demand of trunk line A. At buildout, there's a total anticipated 819 lots utilizing this sewer trunk line which makes Phase 1 PID area 40% of the trunk line. Costs referenced in this description derived from the OPC prepared by Lenart Development Company, LLC dated 03/29/2021.

PID Direct costs of Sewer Trunk Line A equates to 60% of the total trunk line costs of the following improvements related to sewer trunk line A.

- 8” SDR-35 PVC Pipe, 10” SDR-26 PVC Pipe, 12” SDR-26 PVC Pipe, 15” SDR-26 PVC Pipe, (7) 4’ diameter manholes, (5) 5’ diameter manholes, connecting to existing manhole, testing and trench safety of sewer line A pipes.

PID Direct costs of Sewer Trunk Line A: $105,799

PID MI costs of Sewer Trunk Line A equates to 60% of the total trunk line costs of the following improvements related to sewer trunk line A:

- 8” SDR-35 PVC Pipe, 10” SDR-26 PVC Pipe, 12” SDR-26 PVC Pipe, 15” SDR-26 PVC Pipe, (7) 4’ diameter manholes, (5) 5’ diameter manholes, connecting to existing manhole, testing and trench safety of sewer line A pipes.

PID MI costs of Sewer Trunk Line A: $168,698.50

Site Grading and Preparation

The limits of phase 1 grading is approximately 60 acres. The earthwork quantities shown in this PID OPC reflect raw bank yards of the grading activities associated with Phase 1. The detention pond yields a net cut of 34,860 CY to be utilized for fill in Phase 1. Phase 1 is anticipated to require approximately 90,000 CY of fill material from future phases. The PID MI cost for clearing and grubbing includes removing 90,000 CY of material from future phases. Based on preliminary grading, there’s nearby cuts planned on future phases that equate to 90,000 CY to be utilized as fill for phase 1. This surface area equates to 15 acres to be cleared and grubbed. Since this earthwork movement benefits future phases, the fill material is considered a 40% shared cost in this PID OPC. Clearing and grubbing area of the offsite sewer easement was calculated by the total length of Sewer Line A and assuming 50’ width for the limits of disturbance, this results in approximately 5 acres.

Water

Water infrastructure related to phase 1 PID is primarily a direct PID cost. The cost of 12” water service being constructed with Bel-Air Blvd and not included in this PID costs. Other items that are considered PID MI costs are 4 fire hydrants utilized for future phase and (4) 8” valves utilized to serve future phases.

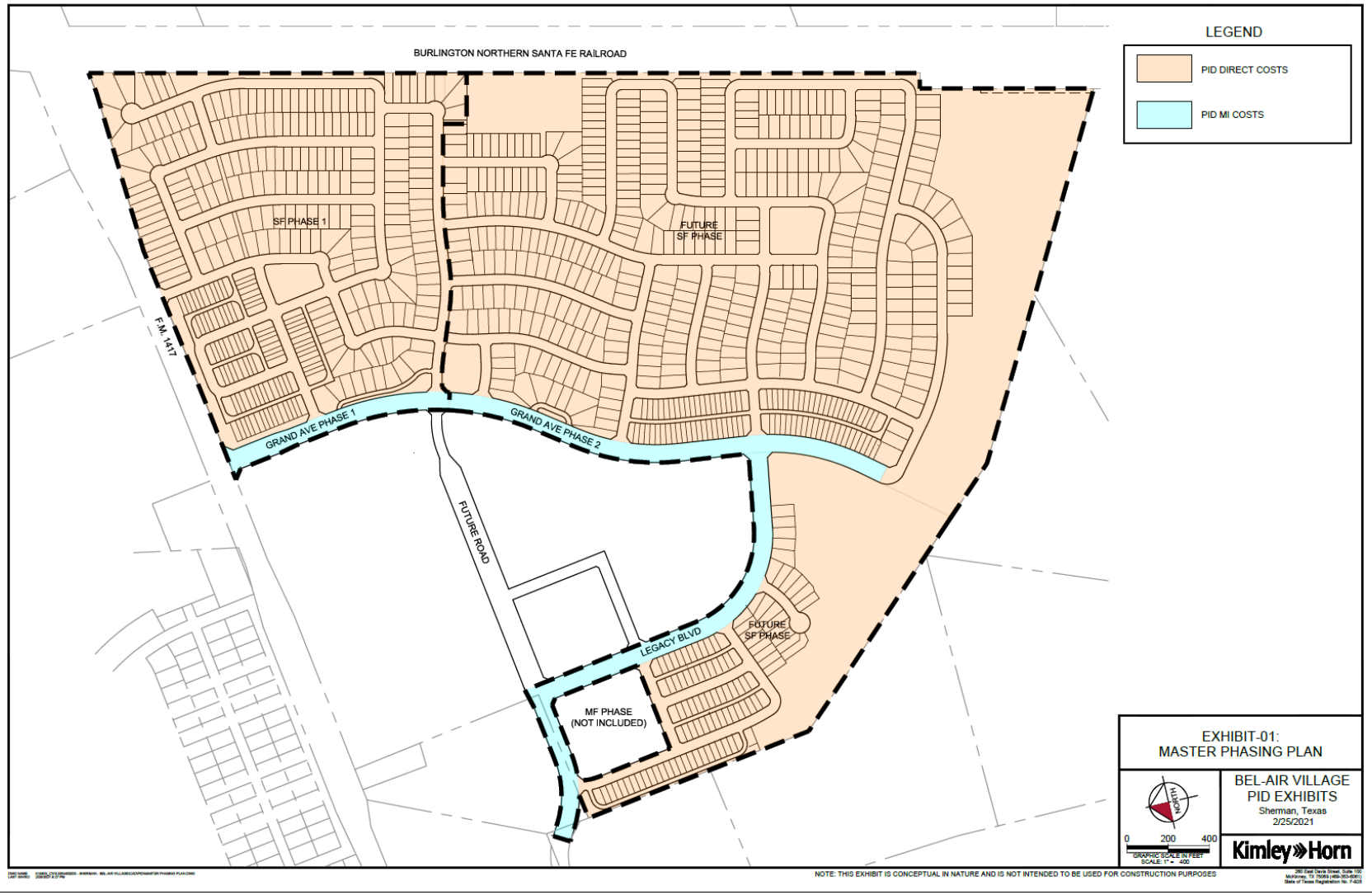
Paving

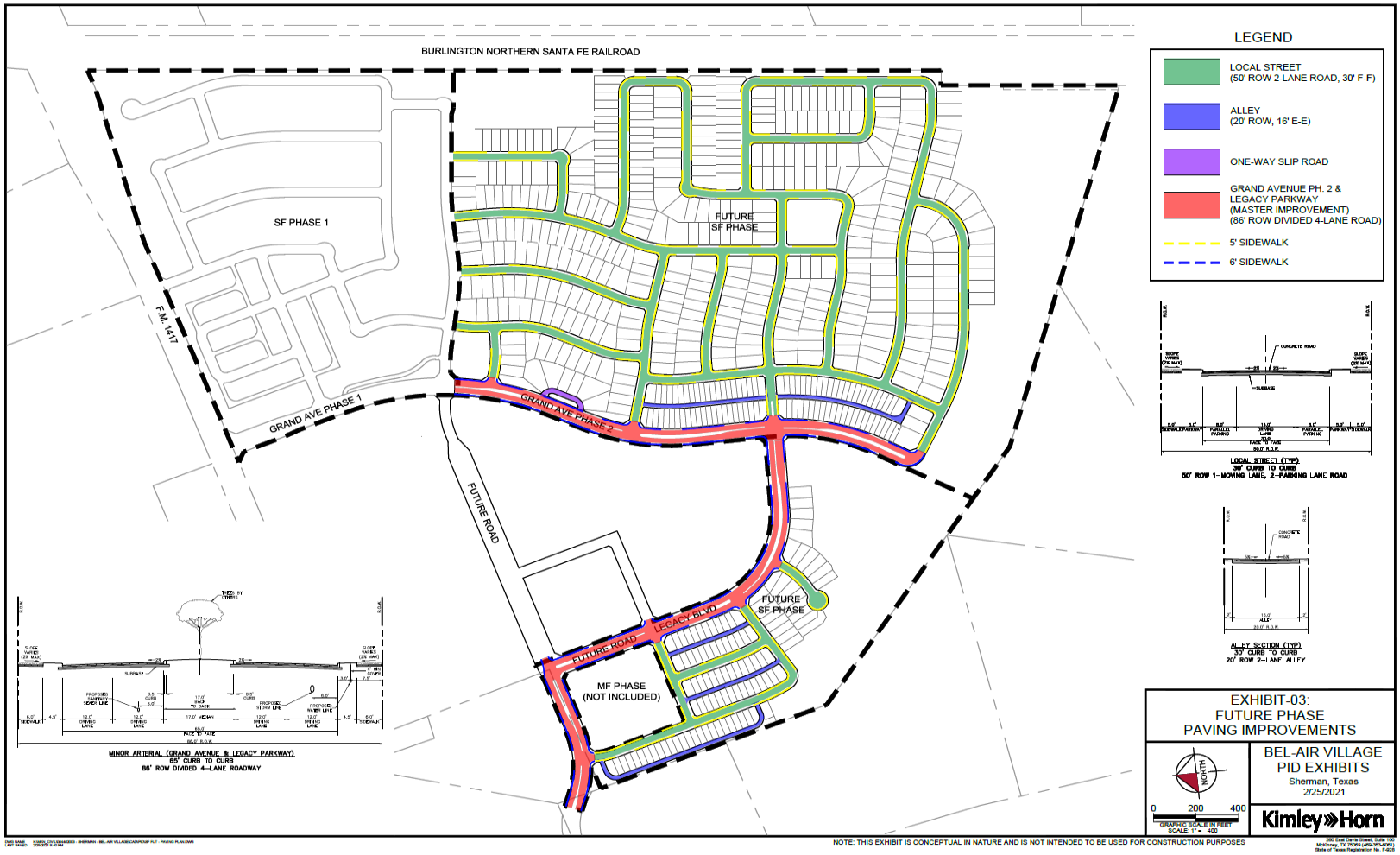
Proposed pavement sections shown in this PID is per city of Sherman Engineering standards and details. Bel-Air Blvd pavement cost is considered a city cost and not included in this PID OPC. PID MI costs include concrete headers where pavement is extended to future phases at 4 intersections and barricades of those intersections. There’s approximately 1900 SF of common area sidewalk that’s been noted as a PID MI cost. All other pavement included in Phase 1 OPC is a direct PID cost.

Site Fencing / Retaining Walls / Landscape

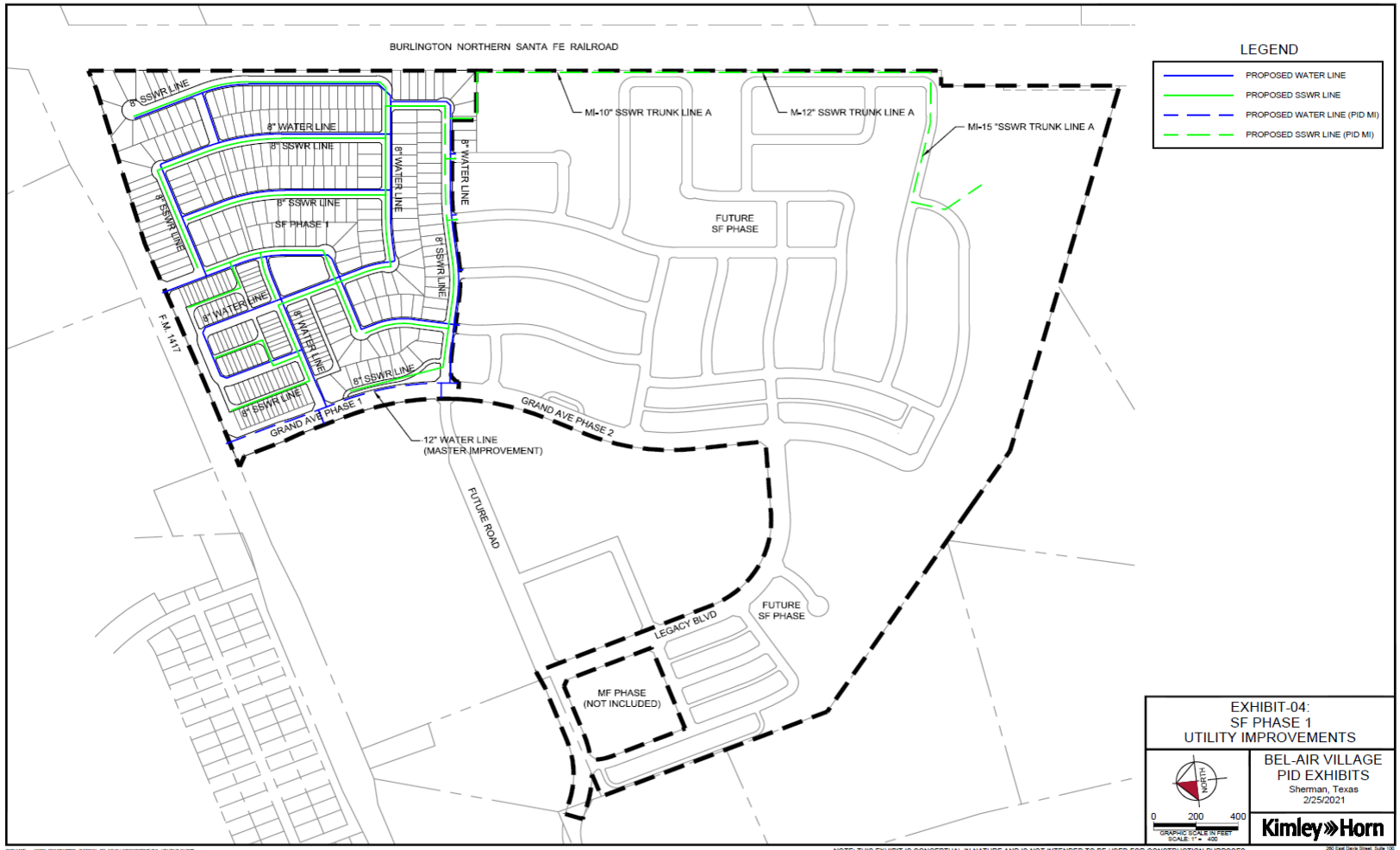
Retaining walls due to lot grading criteria is considered a non-PID cost as this is an expense directly related to individual lots. Shared costs have been prorated to phase 1 direct PID cost and PID MI cost by lot count (35% of Lots in Phase 1). Shared costs include perimeter screen wall, main entry feature, main thoroughfare trees (100), common area landscape and irrigation, internal park landscape and irrigation, park fencing (wrought iron). There’s also 2- ¾” irrigation meters and 2-electric meters allocated as a PID MI cost for common areas within the development.

APPENDIX C
DIAGRAMS OF THE AUTHORIZED IMPROVEMENTS

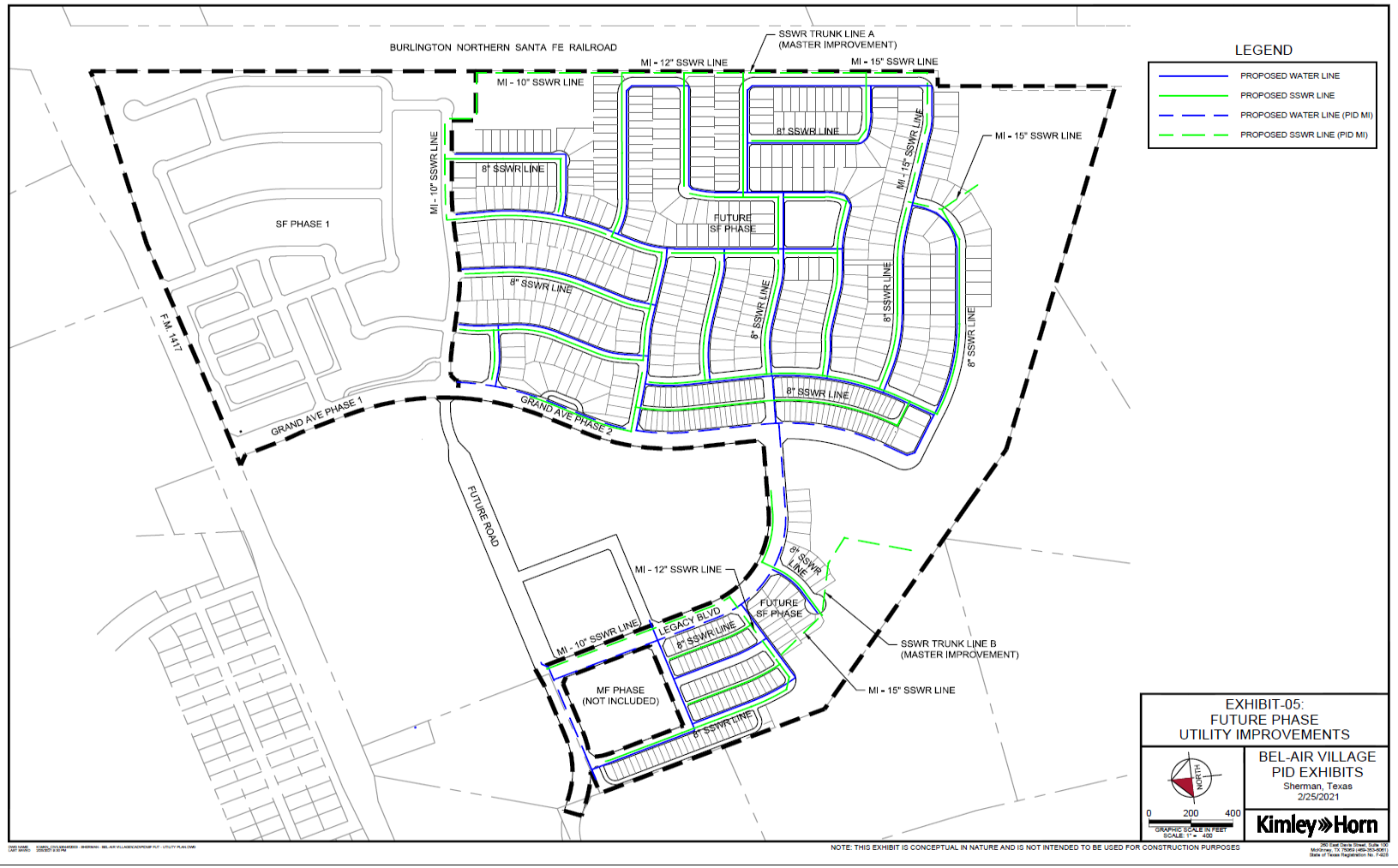

BURLINGTON NORTHERN SANTA FE RAILROAD
LEGEND
PID DIRECT COSTS
PID MI COSTS
SF PHASE 1
FUTURE SF PHASE
F.M. 1417
GRAND AVE PHASE 1
GRAND AVE PHASE 2
FUTURE ROAD
LEGACY BLVD
FUTURE SF PHASE
MF PHASE (NOT INCLUDED)
EXHIBIT-01:
MASTER PHASING PLAN
NORTH
0 200 400
GRAPHIC SCALE IN FEET
SCALE: 1" = 400
BEL-AIR VILLAGE
PID EXHIBITS
Sherman, Texas
2/25/2021
Kimley»Horn
NOTE: THIS EXHIBIT IS CONCEPTUAL IN NATURE AND IS NOT INTENDED TO BE USED FOR CONSTRUCTION PURPOSES



NOTE: THIS EXHIBIT IS CONCEPTUAL IN NATURE AND IS NOT INTENDED TO BE USED FOR CONSTRUCTION PURPOSES



NOTE: THIS EXHIBIT IS CONCEPTUAL IN NATURE AND IS NOT INTENDED TO BE USED FOR CONSTRUCTION PURPOSES



NOTE: THIS EXHIBIT IS CONCEPTUAL IN NATURE AND IS NOT INTENDED TO BE USED FOR CONSTRUCTION PURPOSES

APPENDIX D
ASSESSMENT PER EQUIVALENT UNIT

Appendix D

For purposes of calculating and allocating the Assessments, the Phase #1 Assessed Property has been classified in one of three Lot Types.

"Lot Type 1" means lots identified as such on the Assessment Roll, being lots typically with a Lot width of approximately 50 feet.

"Lot Type 2" means lots identified as such on the Assessment Roll, being lots typically with a Lot width of approximately 40 feet.

"Lot Type 3" means lots identified as such on the Assessment Roll, being lots typically with a Lot width of approximately 25 feet.

Additional Lot Types will be added to as Future Phases are developed.

A) Proposed Development

The following table shows the projected residential units to be developed within the PID.

Table D-1
Projected Development within the PID

Description	Proposed Development	
60 Ft Lots	69	Units
50 Ft Lots	350	Units
40 Ft Lots	260	Units
30 Ft Lots	79	Units
25 Ft Lots	187	Units
	945	**Units**

Table D-2 below shows the proposed residential units within Phase #1.

Table D-2
Proposed Development – Phase #1

Description	Proposed Development	
50 Ft Lots	105	Units
40 Ft Lots	124	Units
25 Ft Lots	98	Units
	327	**Units**

Table D-3 on the following page shows the projected residential Lot Types anticipated to be built in the Future Phases.

Table D-3
Projected Development – Future Phases

Description	Proposed Development	
60 Ft Lots	69	Units
50 Ft Lots	245	Units
40 Ft Lots	136	Units
30 Ft Lots	79	Units
25 Ft Lots	89	Units
	618	**Units**

B) Calculation of Equivalent Units

As explained under Section IV.D, for purpose of this Service and Assessment Plan, the City Council has determined that the Actual Costs of the portion of the Phase #1 Projects to be financed with the Phase #1 Reimbursement Agreement shall be allocated to the Phase #1 Assessed Property by spreading the entire Assessment across the Parcels based on the estimated Equivalent Units.

For purposes of this Service and Assessment Plan, the City Council has determined that the Assessments shall be allocated to the Phase #1 Assessed Property on the basis of the average home value of each Lot Type, and that such method of allocation will result in the imposition of equal shares of the Assessments on Parcels similarly benefited. In determining the average home value of each Lot Type, the City Council has taken into consideration (i) the type of lots (i.e., 50 Ft, 40 Ft, etc.); (ii) current and projected home prices; (iii) the costs of the Authorized Improvements, and (iv) the ability of different property types to utilize and benefit from the Authorized Improvements.

Having taken into consideration the matters described above, the City Council has determined that allocating the Assessments among Parcels based on average home value is best accomplished by creating classifications of benefited Parcels based on the "Lot Types" defined above. These classifications (from Lot Type 1 (50 Ft Lots) representing the highest value to Lot Type 3 (25 Ft Lot) representing the lowest value for residential lots are set forth in Table D-4 on the following page. Assessments are allocated to each Lot Type on the basis of the average home value for each class of lots. This is accomplished by giving each Lot Type an Equivalent Unit factor. Equivalent Units are the ratio of the average value of lots within each assessment class, setting the Equivalent Unit factor for Lot Type 1 (50 Ft Lots) to 1.0.

Table D-4
Equivalent Unit Factors

Lot Type	Estimated Average Unit Value	Equivalent Unit Factor
Lot Type 1 (50 Ft Lot)	$300,000	1.00 per dwelling unit
Lot Type 2 (40 Ft Lot)	$250,000	0.83 per dwelling unit
Lot Type 3 (25 Ft Lot)	$185,000	0.62 per dwelling unit

The total estimated Equivalent Units for Phase #1 are shown in Table D-5 below as calculated based on the Equivalent Unit factors shown above, estimated Lot Types and number of units estimated to be built within Phase 1.

Table D-5
Estimated Equivalent Units - Phase #1

Lot Type	Planned No. of units	Equivalent Unit Factor	Total Equivalent Units
Lot Type 1 (50 Ft Lot)	105	1.00	105.00
Lot Type 2 (40 Ft Lot)	124	0.83	103.33
Lot Type 3 (25 Ft Lot)	98	0.62	60.43
Total Equivalent Units	**327**		**268.77**

C) Allocation of Assessments to Lots within Phase #1

As shown in Section IV of this Service and Assessment Plan, the total amount of the Phase #1 Reimbursement Agreement, which represents the total Assessment to be allocated on all Parcels within Phase #1, is $7,168,000. As shown in Table D-5, there are a total of 268.77 estimated Equivalent Units in Phase #1, resulting in an Assessment per Equivalent Unit of $26,669.97.

The Assessment per dwelling unit in Phase #1 ("Assessment er Unit") is calculated as the product of (i) $26,669.97 multiplied by (ii) the applicable Equivalent Unit value for each Lot Type. For example, the Assessment for a Lot Type 1 (50 Ft Lot) dwelling unit is $26,669.97 (i.e. $26,669.97 × 1.00). The Assessment for a Lot Type 2 (40 Ft Lot) dwelling unit is $22,224.98 (i.e. $26,669.97 × 0.83). The Assessment for a Lot Type 3 (25 Ft Lot) dwelling unit is $16,446.48 (i.e. $26,669.97 × 0.62). Table D-7 on the following page sets forth the Assessment per Unit for each Lot Type in Phase #1.

Table D-7
Assessment Per Unit – Phase #1

Type	Planned No. of Units	Assessment per Equivalent Unit	Equivalent Unit Factor	Assessment per Unit		Total Assessments
Lot Type 1(50 Ft Lot)	105	$26,669.97	1.00	$26,669.97	per dwelling unit	$2,800,347
Lot Type 2 (40 Ft Lot)	124	$26,669.97	0.83	$22,224.98	per dwelling unit	$2,755,897
Lot Type 3 (25 Ft Lot)	98	$26,669.97	0.62	$16,446.48	per dwelling unit	$1,611,755
Total	**327**					**$7,168,000**

APPENDIX E
PROPOSED PHASE #1 ASSESSMENT ROLL

Appendix E-1
Proposed Phase #1 Assessment Roll

Parcel	**All Parcels**
Equivalent Units	**$7,168,000**
Assessment	**268.77**

Year [1]	Principal	Interest	Administrative Expenses[2]	Total Annual Installment[3]
1	$55,000	$549,069	$30,000	$634,069
2	$63,000	$544,856	$30,600	$638,456
3	$71,000	$540,030	$31,212	$642,242
4	$81,000	$534,591	$31,836	$647,428
5	$92,000	$528,387	$32,473	$652,860
6	$103,000	$317,160	$33,122	$453,282
7	$117,000	$312,360	$33,785	$463,145
8	$127,000	$306,908	$34,461	$468,368
9	$136,000	$300,989	$35,150	$472,139
10	$147,000	$294,652	$35,853	$477,505
11	$158,000	$287,802	$36,570	$482,371
12	$169,000	$280,439	$37,301	$486,740
13	$181,000	$272,563	$38,047	$491,611
14	$194,000	$264,129	$38,808	$496,937
15	$207,000	$255,088	$39,584	$501,673
16	$221,000	$245,442	$40,376	$506,818
17	$235,000	$235,144	$41,184	$511,327
18	$243,000	$224,193	$42,007	$509,200
19	$259,000	$212,869	$42,847	$514,716
20	$276,000	$200,799	$43,704	$520,504
21	$293,000	$187,938	$44,578	$525,516
22	$312,000	$174,284	$45,470	$531,754
23	$331,000	$159,745	$46,379	$537,124
24	$351,000	$144,320	$47,307	$542,627
25	$373,000	$127,964	$48,253	$549,217
26	$395,000	$110,582	$49,218	$554,800
27	$418,000	$92,175	$50,203	$560,377
28	$443,000	$72,696	$51,207	$566,903
29	$469,000	$52,052	$52,231	$573,283
30	$648,000	$30,197	$53,275	$731,472
Total	**$7,168,000**	**$7,859,421**	**$1,217,042**	**$16,244,463**

1 – The 9/30/XX dates represent the fiscal year end for the Reimbursement Agreement.
2- Administrative Expenses are estimated and will be updated each year in the Annual Service Plan Updates. Assumes a 2% increase per year.
3- Annual Installments are calculated assuming an estimated 7.66% interest rate for years 1 through 5 and 4.66% thereafter on the Phase #1Reimbursement Agreement plus the Administrative Expenses.

Appendix E-2
Proposed Assessment Roll by Lot Type

Lot Type	Lot Type 1 (50 Ft)
Assessment	**$26,670**
Equivalent Unit	**1.00**

Year	Principal[1]	Interest[2]	Administrative Expenses[2]	Annual Installment[3]
1	$205	$2,043	$112	$2,359
2	$234	$2,027	$114	$2,376
3	$264	$2,009	$116	$2,390
4	$301	$1,989	$118	$2,409
5	$342	$1,966	$121	$2,429
6	$383	$1,180	$123	$1,687
7	$435	$1,162	$126	$1,723
8	$473	$1,142	$128	$1,743
9	$506	$1,120	$131	$1,757
10	$547	$1,096	$133	$1,777
11	$588	$1,071	$136	$1,795
12	$629	$1,043	$139	$1,811
13	$673	$1,014	$142	$1,829
14	$722	$983	$144	$1,849
15	$770	$949	$147	$1,867
16	$822	$913	$150	$1,886
17	$874	$875	$153	$1,902
18	$904	$834	$156	$1,895
19	$964	$792	$159	$1,915
20	$1,027	$747	$163	$1,937
21	$1,090	$699	$166	$1,955
22	$1,161	$648	$169	$1,978
23	$1,232	$594	$173	$1,998
24	$1,306	$537	$176	$2,019
25	$1,388	$476	$180	$2,043
26	$1,470	$411	$183	$2,064
27	$1,555	$343	$187	$2,085
28	$1,648	$270	$191	$2,109
29	$1,745	$194	$194	$2,133
30	$2,411	$112	$198	$2,722
Total	**$26,670**	**$29,243**	**$4,528**	**$60,441**

1 - The interest is calculated assuming an estimated 7.66% interest rate for years 1 through 5 and 4.66% thereafter on the Phase #1 Reimbursement Agreement.
2 - The Administrative Expenses shown include the estimated PID administration and assessment collection costs.

Appendix E-3
Proposed Assessment Roll by Lot Type

Lot Type	Lot Type 2 (40 Ft)
Assessment	**$22,225**
Equivalent Unit	**0.83**

Year	Principal[1]	Interest[2]	Administrative Expenses[2]	Annual Installment[3]
1	$171	$1,702	$93	$1,966
2	$195	$1,689	$95	$1,980
3	$220	$1,674	$97	$1,991
4	$251	$1,658	$99	$2,007
5	$285	$1,638	$101	$2,024
6	$319	$983	$103	$1,405
7	$363	$968	$105	$1,436
8	$394	$952	$107	$1,452
9	$422	$933	$109	$1,464
10	$456	$914	$111	$1,481
11	$490	$892	$113	$1,496
12	$524	$870	$116	$1,509
13	$561	$845	$118	$1,524
14	$602	$819	$120	$1,541
15	$642	$791	$123	$1,555
16	$685	$761	$125	$1,571
17	$729	$729	$128	$1,585
18	$753	$695	$130	$1,579
19	$803	$660	$133	$1,596
20	$856	$623	$136	$1,614
21	$908	$583	$138	$1,629
22	$967	$540	$141	$1,649
23	$1,026	$495	$144	$1,665
24	$1,088	$447	$147	$1,682
25	$1,157	$397	$150	$1,703
26	$1,225	$343	$153	$1,720
27	$1,296	$286	$156	$1,737
28	$1,374	$225	$159	$1,758
29	$1,454	$161	$162	$1,778
30	$2,009	$94	$165	$2,268
Total	**$22,225**	**$24,369**	**$3,774**	**$50,367**

1 - The interest is calculated assuming an estimated 7.66% interest rate for years 1 through 5 and 4.66% thereafter on the Phase #1 Reimbursement Agreement.
2 - The Administrative Expenses shown include the estimated PID administration and assessment collection costs.

Appendix E-4
Proposed Assessment Roll by Lot Type

Lot Type	Lot Type 3 (25 Ft)
Assessment	**$16,446**
Equivalent Unit	**0.62**

Year	Principal[1]	Interest[2]	Administrative Expenses[2]	Annual Installment[3]
1	$126	$1,260	$69	$1,455
2	$145	$1,250	$70	$1,465
3	$163	$1,239	$72	$1,474
4	$186	$1,227	$73	$1,485
5	$211	$1,212	$75	$1,498
6	$236	$728	$76	$1,040
7	$268	$717	$78	$1,063
8	$291	$704	$79	$1,075
9	$312	$691	$81	$1,083
10	$337	$676	$82	$1,096
11	$363	$660	$84	$1,107
12	$388	$643	$86	$1,117
13	$415	$625	$87	$1,128
14	$445	$606	$89	$1,140
15	$475	$585	$91	$1,151
16	$507	$563	$93	$1,163
17	$539	$540	$94	$1,173
18	$558	$514	$96	$1,168
19	$594	$488	$98	$1,181
20	$633	$461	$100	$1,194
21	$672	$431	$102	$1,206
22	$716	$400	$104	$1,220
23	$759	$367	$106	$1,232
24	$805	$331	$109	$1,245
25	$856	$294	$111	$1,260
26	$906	$254	$113	$1,273
27	$959	$211	$115	$1,286
28	$1,016	$167	$117	$1,301
29	$1,076	$119	$120	$1,315
30	$1,487	$69	$122	$1,678
Total	**$16,446**	**$18,033**	**$2,792**	**$37,272**

1 - The interest is calculated assuming an estimated 7.66% interest rate for years 1 through 5 and 4.66% thereafter on the Phase #1 Reimbursement Agreement.
2 - The Administrative Expenses shown include the estimated PID administration and assessment collection costs.

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N
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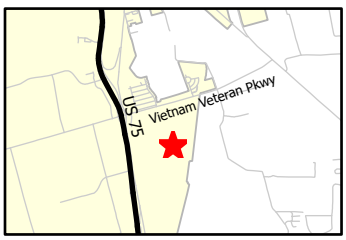
S

CITY OF SHERMAN

Bel Air Village



SHERMAN CITY COUNCIL
Agenda Communication Form

City Council Regular Meeting **E. 3.**

Meeting Date: 04/19/2021

Prepared By: Wayne Lee, Director of Engineering

Approved By: Robby Hefton, City Manager

Caption:

RESOLUTION NO. 6729

In Support of Halff Associates, Inc.'s Application on Behalf of the Applicant Texas Instruments Incorporated to the Texas Commission on Environmental Quality for a Municipal Setting Designation at 6412 U.S. Highway 75S, Sherman, Grayson County, Texas

Issue:

Consider supporting Texas Instruments Incorporated's Sherman Facility application to the Texas Commission on Environmental Quality for a Municipal Setting Designation at 6412 U.S. Highway 75S in Sherman.

Background:

An application for a Municipal Setting Designation was submitted to the City of Sherman on December 28, 2020 by Halff Associates, Inc. on behalf of Texas Instruments, Inc. The intent of the application is to provide data to show that groundwater contamination from past activities is either at safe levels or is contained, and not a threat to potable wells or aquifers. Freese and Nichols, Inc. was hired to assist city staff with the review of the data submitted.

Origination:

Engineering

Financial Consideration:

The applicant submitted a $5,000 application fee which was used towards the cost of the review.

Staff Recommendation:

After requesting clarifications to the MSD property boundary which was submitted by the applicant on March 31, 2021, staff recommends supporting Texas Instruments Inc.'s application to the Texas Commission on Environmental Quality for a Municipal Setting Designation at 6412 U.S. Highway 75S, Sherman, TX 75090.

Alternatives:

As may be directed by the City Council.

Attachments

Resolution No. 6729
Exhibit A
Location Map

RESOLUTION NO. 6729

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, IN SUPPORT OF HALFF ASSOCIATES, INC.'S APPLICATION ON BEHALF OF THE APPLICANT TEXAS INSTRUMENTS INCOPORATED TO THE TEXAS COMMISSION ON ENVIRONMENTAL QUALITY FOR A MUNICIPAL SETTING DESIGNATION AT 6412 U.S. HIGHWAY 75S, SHERMAN, GRAYSON COUNTY, TEXAS; FINDING AND DETERMINING THAT THE MEETING AT WHICH THIS RESOLUTION IS PASSED WAS NOTICED AND IS OPEN TO THE PUBLIC AS REQUIRED BY LAW.

WHEREAS, Chapter 361, Subchapter W of the Texas Solid Waste Disposal Act authorizes the Texas Commission on Environmental Quality (the "TCEQ") to certify a Municipal Setting Designation (an "MSD") for a property upon receipt and approval of a properly submitted application to the TCEQ; and

WHEREAS, as part of the application to the TCEQ for an MSD, the applicant is required to provide documentation that the application is supported by the city council of each municipality with a boundary located within one-half mile of the proposed MSD location; and

WHEREAS, Halff Associates, Incorporated on behalf of Texas Instruments, Incorporated (the "Applicant"), filed an application with the City of Sherman, Texas for support of a resolution seeking a Municipal Setting Designation for the site known as 6412 U.S. Highway 75S, Sherman, Grayson County, Texas, the metes and bounds description and a map attached as Exhibit "A" (the "Site") to the TCEQ; and

WHEREAS, the Site is located within one-half mile of the boundary of the City of Sherman, Texas and, therefore, the Applicant must acquire the City of Sherman's support of the application of the MSD for the Site; and

WHEREAS, upon passage of this supporting Resolution by the City Council, the Applicant will submit to the TCEQ an application for certification of the MSD for the Site pursuant to Texas Health and Safety Code Chapter 361, Subchapter W;

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

SECTION 1. That the City Council of the City of Sherman, Texas does not oppose the establishment of a MSD for the Site and supports the Applicant's application to the TCEQ for certification of a MSD for the Site.

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

BY: _____

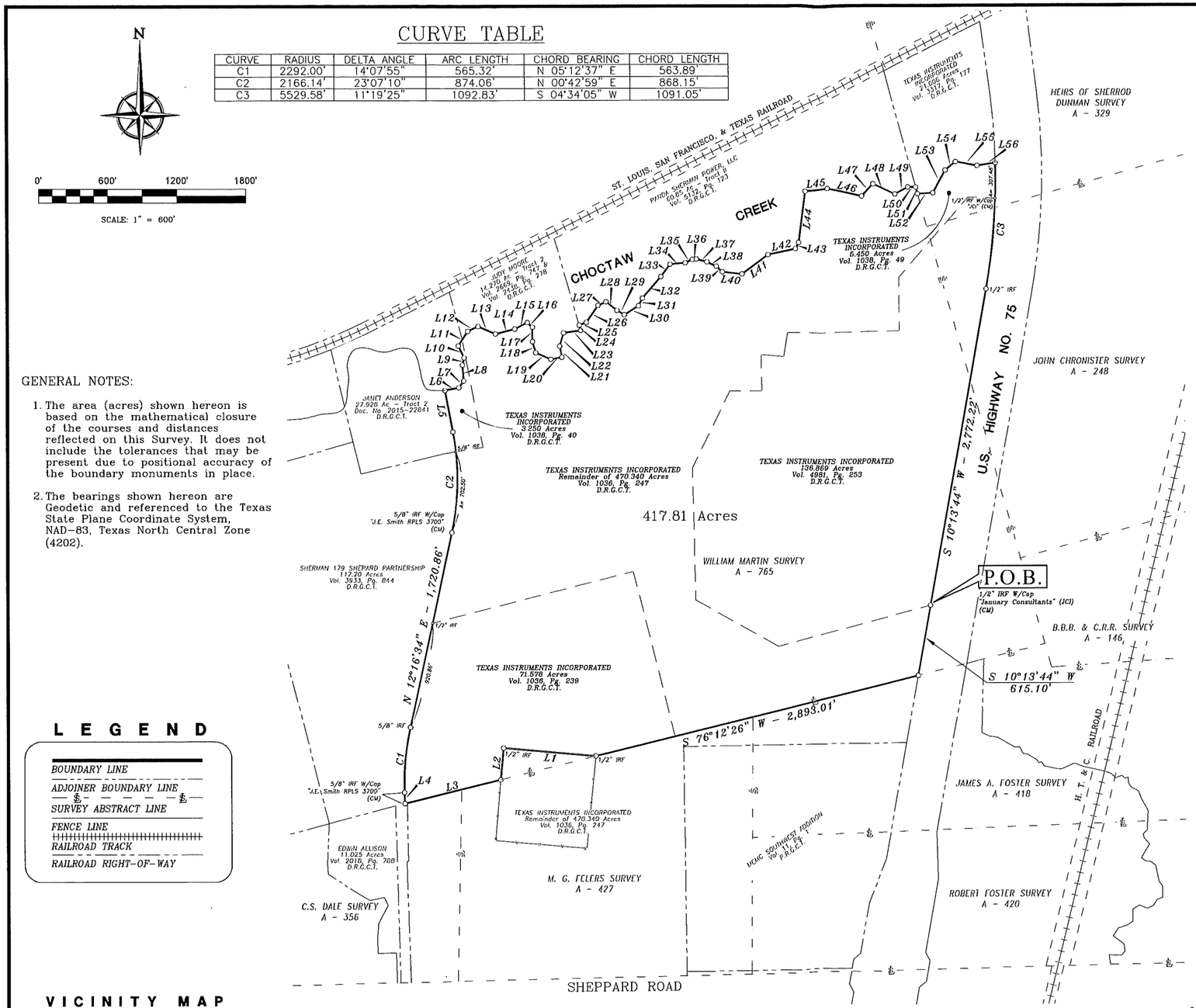
DAVID PLYLER, MAYOR

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



CURVE TABLE

CURVE	RADIUS	DELTA ANGLE	ARC LENGTH	CHORD BEARING	CHORD LENGTH
C1	2292.00'	14°07'55"	565.32'	N 05°12'37" E	563.89'
C2	2166.14'	23°07'10"	874.06'	N 00°42'59" E	868.15'
C3	5529.58'	11°19'25"	1092.83'	S 04°34'05" W	1091.05'

LINE TABLE

LINE	BEARING	DISTANCE
L1	N 85°04'33" W	810.80'
L2	S 04°55'14" W	274.70'
L3	S 76°12'26" W	856.34'
L4	N 01°51'13" W	95.70'
L5	N 10°50'22" W	364.85'
L6	N 78°51'48" E	124.33'
L7	N 36°12'09" E	71.81'
L8	N 04°48'13" W	136.66'
L9	N 13°20'12" E	65.70'
L10	N 26°04'57" W	113.79'
L11	N 32°53'38" E	148.33'
L12	N 64°22'54" E	99.64'
L13	S 66°40'08" E	164.37'
L14	N 76°03'41" E	174.19'
L15	N 63°01'43" E	123.40'
L16	S 48°11'20" E	61.20'
L17	S 00°07'58" E	123.37'
L18	S 16°00'31" E	100.28'
L19	S 66°49'55" E	143.71'
L20	N 79°36'56" E	95.84'
L21	N 10°55'06" W	97.70'
L22	N 16°11'47" E	120.11'
L23	N 82°33'43" E	151.46'
L24	N 16°06'35" W	46.01'
L25	N 67°26'14" E	67.60'
L26	N 35°12'36" E	177.55'
L27	N 66°05'55" E	76.50'
L28	S 51°47'35" E	119.72'
L29	S 58°54'31" E	75.25'
L30	N 57°10'55" E	143.66'
L31	N 27°07'41" E	74.40'
L32	N 41°18'39" E	245.64'
L33	N 37°37'13" E	134.41'
L34	N 84°41'55" E	132.97'
L35	N 65°15'19" E	69.31'
L36	N 84°58'04" E	34.55'
L37	S 74°50'25" E	94.21'
L38	S 64°53'16" E	89.81'
L39	S 46°49'23" E	71.47'
L40	S 84°10'37" E	173.17'
L41	N 53°21'32" E	279.39'
L42	N 78°02'48" E	242.38'
L43	N 28°48'50" E	60.92'
L44	N 07°31'00" E	447.48'
L45	N 82°02'55" E	199.24'
L46	S 76°32'41" E	305.86'
L47	N 43°40'40" E	143.38'
L48	S 65°28'50" E	213.45'
L49	N 61°52'37" E	129.18'
L50	S 89°05'36" E	69.52'
L51	S 15°25'15" E	59.11'
L52	N 86°46'05" E	135.74'
L53	N 28°42'36" E	222.97'
L54	N 50°51'41" E	115.36'
L55	S 79°35'04" E	190.86'
L56	N 81°06'41" E	161.16'

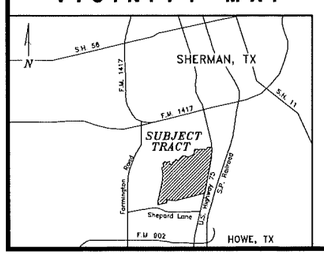
GENERAL NOTES:

1. The area (acres) shown hereon is based on the mathematical closure of the courses and distances reflected on this Survey. It does not include the tolerances that may be present due to positional accuracy of the boundary monuments in place.
2. The bearings shown hereon are Geodetic and referenced to the Texas State Plane Coordinate System, NAD-83, Texas North Central Zone (4202).

LEGEND

- BOUNDARY LINE
- ADJOINER BOUNDARY LINE
- SURVEY ABSTRACT LINE
- FENCE LINE
- RAILROAD TRACK
- RAILROAD RIGHT-OF-WAY

VICINITY MAP



ABBREVIATIONS

P.O.B. = Point of Beginning
Vol. = Volume
Pg. = Page
Doc. No. = Document Number
D.R.G.C.T. = Deed Records, Grayson County, Texas
P.R.G.C.T. = Plat Records, Grayson County, Texas
IRF = Iron Rod Found
JCI = January Consultants Inc.
CM = Controlling Monument

STATE OF TEXAS REGISTERED L. H. RINGLEY 4701 PROFESSIONAL LAND SURVEYOR

I, Lawrence H. Ringley, Registered Professional Land Surveyor in and for the State of Texas, hereby certify that this document was prepared under 22 TAC 663.21, does not necessarily reflect all the results of an on the ground survey, and is not to be used to convey or establish interests in real property except those rights and interests implied or established by the creation or reconfiguration of the boundary of the political subdivision for which it was prepared this 21st Day of August, 2020.

LAWRENCE H. RINGLEY, R.P.L.S. No. 4701

EXIHIBIT A

MUNICIPAL SETTING DESIGNATION

TEXAS INSTRUMENTS INCORPORATED
417.81 Acres

CITY OF SHERMAN
William Martin Survey, Abstract No. 765
Heirs of Sherrod Dunman Survey, Abstract No. 329
John Chronister Survey, Abstract No. 248
Grayson County, Texas

RINGLEY & ASSOCIATES, INC.
SURVEYING • MAPPING • PLANNING
Texas Firm Registration No. 10061300
701 S. Tennessee - McKinney, Texas 75069
(972) 542-1266

Drawn by	Date	Scale	Job	Title	Sheet
Mark Stock	08/21/2020	1" = 20'	2020-047	2020-047-MSD.DWG	1 of 2

LEGAL DESCRIPTION

SITUATED in the City of Sherman, Texas, in the William Martin Survey, Abstract No. 765, the Heirs of Sherrod Dunman Survey, Abstract No. 329 and the John Chronister Survey, Abstract No. 248 of Grayson County, Texas and being: all of that certain called 136.869 acre tract of land described in a deed to Texas Instruments Incorporated, dated June 29, 2011, recorded in Volume 4981, Page 253, Deed Records, Grayson County, Texas (D.R.G.C.T.); part of that certain called 470.340 acre tract of land described in a deed to Texas Instruments Incorporated, dated September 1, 1965 and recorded in Volume 1036, Page 247, D.R.G.C.T.; all of that certain called 71.578 acre tract of land described in a deed to Texas Instruments Incorporated, dated September 1, 1965 and recorded in Volume 1036, Page 239, D.R.G.C.T.; all of that certain called 3.250 acre tract of land described in a deed to Texas Instruments Incorporated, dated September 1, 1965 and recorded in Volume 1038, Page 40, D.R.G.C.T. and all of that certain called 5.450 acre tract of land described in a deed to Texas Instruments Incorporated (hereinafter referred to as "TI"), dated September 1, 1965 and recorded in Volume 1038, Page 49, D.R.G.C.T. and being more particularly described by metes & bounds as follows:

BEGINNING at 1/2 inch iron rod, topped with a yellow plastic cap, stamped "January Consultants", found on the west right-of-way line of U.S. Highway No. 75 (variable width right-of-way) and the east line of the above described 470.340 acre TI tract and same being the southeast corner of the above described 136.869 acre TI tract;

THENCE: South 10 deg. 13 min. 44 sec. West, along the east line of said 470.340 acre TI tract and the west right-of-way line of said U.S. Highway No. 75, a distance of 615.10 feet to a point for the southeast corner of this tract, on the south line of the above mentioned William Martin Survey and same being the north line of the James A. Foster Survey, Abstract No. 418;

THENCE: South 76 deg. 12 min. 26 sec. West, departing from U.S. Highway No. 75, across said 470.340 acre TI tract and along the south line of said Martin Survey and same being the north lines of said Foster Survey and M.G. Felers Survey, Abstract No. 427, at a distance of 2,184.3 feet, passing an inside ell corner of said 470.340 acre TI tract and the southeast corner of the above described 71.578 acre TI tract and continuing along the common line of said 470.340 acre and 71.578 acre TI tracts for a total distance of 2,893.01 feet to a 1/2 inch iron rod found for corner near a barbed wire fence corner post;

THENCE: North 85 deg. 04 min. 33 sec. West, departing from said common line, over & across said 71.578 acre TI tract and along said barbed wire fence, a distance of 810.80 feet to a 1/2 inch iron rod found for corner near a barbed wire fence corner post;

THENCE: South 04 deg. 55 min. 14 sec. West, continuing across said 71.578 acre TI tract and along said barbed wire fence, a distance of 274.70 feet to a point for corner on the common line of said 71.578 acre and 470.340 acre TI tracts and the afore mentioned common line of the Martin and Felers Survey Abstracts;

THENCE: South 76 deg. 12 min. 26 sec. West, departing from said barbed wire fence, continuing along said common line, at a distance of 836.55 feet, passing a 5/8 inch iron rod, topped with a yellow plastic cap, stamped "J.E. Smith RPLS 3700", found for the southwesterly outside ell corner of said 470.340 acre TI tract, on the easterly line of that certain called 117.20 acre tract described in a deed to Sherman 179 Shepard Partnership, recorded in Volume 3933, Page 844, D.R.G.C.T. and same being the easterly right-of-way line of the old Texas Traction Company's Interurban Railway and continuing along the common line of said 71.578 acre TI tract and said 117.20 acre Sherman 179 tract for a total distance of 856.34 feet to a 5/8 inch iron rod, topped with a yellow plastic cap, stamped "J.E. Smith RPLS 3700", found for the southwest corner of said 71.578 acre TI tract and an inside ell corner of said Sherman 179 tract;

THENCE: North 01 deg. 51 min. 13 sec. West, along the common line of the old Interurban Railway, the 71.578 acre TI tract and said Sherman 179 tract, a distance of 95.70 feet to a 5/8 inch iron rod, topped with a yellow plastic cap, stamped "J.E. Smith RPLS 3700", found for the beginning of a curve to the right, having a radius of 2,292.00 feet, a central angle of 14 deg. 07 min. 55 sec. and a chord that bears North 05 deg. 12 min. 37 sec. East – 563.89 feet;

THENCE: Continuing along said common line and along said curve to the right, an arc distance of 565.32 feet to a 5/8 inch iron rod found at the end of said curve;

THENCE: North 12 deg. 16 min. 34 sec. East, continuing along said common line, at a distance of 920.86 feet, passing a 1/2 inch iron rod found for the northwest corner of said 71.578 acre TI tract and the northwesterly outside ell corner of said 470.340 acre TI tract and continuing along the common line of the old Interurban Railway, the 470.340 acre TI tract and said Sherman 179 tract for a total distance of 1,720.86 feet to a 5/8 inch iron rod, topped with a yellow plastic cap, stamped "J.E. Smith RPLS 3700", found for corner at the beginning of a curve to the left, having a radius of 2,166.14 feet, a central angle of 23 deg. 07 min. 10 sec. and a chord that bears North 00 deg. 42 min. 59 sec. East – 868.15 feet;

THENCE: Continuing along said common line and said curve to the left, at an arc distance of 702.50 feet, passing a 5/8 inch iron rod found for the northeast corner of said Sherman 179 tract and the most westerly northwest corner of said 470.340 acre TI tract and said point also being the southwest corner of the above described 3.250 acre TI tract and the southeast corner of that certain called 27.928 acre tract of land described as "Tract 2" in a deed to Janet Anderson, recorded in Document No. 2015-22641, D.R.G.C.T. and continuing along the common line of said 3.250 acre TI tract, said Anderson tract and said Interurban Railway and along said curve to the left for a total arc distance of 874.06 feet to a point for corner at the end of said curve;

THENCE: North 10 deg. 50 min. 22 sec. West, continuing along the common line of said 3.250 acre TI tract, said Anderson tract and said Interurban railway, a distance of 364.85 feet to a point in the centerline of Choctaw Creek for the northwest corner of said 3.250 acre TI tract and this tract;

THENCE: Departing from said Interurban Railway and continuing along the common line of said 3.250 acre TI tract and Anderson tract and the centerline of said Choctaw Creek as follows:

North 78 deg. 51 min. 48 sec. East, a distance of 124.33 feet to a point for corner;
North 36 deg. 12 min. 09 sec. East, a distance of 71.81 feet to a point for corner;
North 04 deg. 48 min. 13 sec. West, a distance of 136.66 feet to a point for corner;
North 13 deg. 20 min. 12 sec. East, a distance of 65.70 feet to a point for corner;
North 26 deg. 04 min. 57 sec. West, a distance of 113.79 feet to a point for corner;
North 32 deg. 53 min. 38 sec. East, at a distance of 62.36 feet, passing the northeast corner of said 3.250 acre TI tract, the most easterly southeast corner of said Anderson tract, the most northerly northwest corner of said 470.340 acre TI tract and the southwest corner of that certain called 14.270 acre tract of land described as "Tract 2" in a deed to Judy Moore, recorded in Volume 2669, Page 747 and Volume 2438, Page 278, D.R.G.C.T., and continuing along said creek for a total distance of 148.33 feet to a point for corner;

THENCE: Continuing along the centerline of said Choctaw Creek, with the common line of said 470.340 acre TI tract and said Moore tract as follows:

North 64 deg. 22 min. 54 sec. East, a distance of 99.64 feet to a point for corner;
South 66 deg. 40 min. 08 sec. East, a distance of 164.37 feet to a point for corner;
North 76 deg. 03 min. 41 sec. East, a distance of 174.19 feet to a point for corner;
North 63 deg. 01 min. 43 sec. East, a distance of 123.40 feet to a point for corner;
South 48 deg. 11 min. 20 sec. East, a distance of 61.20 feet to a point for corner;
South 00 deg. 07 min. 58 sec. East, a distance of 123.37 feet to a point for corner;
South 16 deg. 00 min. 31 sec. East, a distance of 100.28 feet to a point for corner;
South 66 deg. 49 min. 55 sec. East, a distance of 143.71 feet to a point for corner;
North 79 deg. 36 min. 56 sec. East, a distance of 95.84 feet to a point for corner;
North 10 deg. 55 min. 06 sec. West, a distance of 97.70 feet to a point for corner;
North 16 deg. 11 min. 47 sec. East, a distance of 120.11 feet to a point for corner;
North 82 deg. 33 min. 43 sec. East, a distance of 151.46 feet to a point for the southeast corner of said Moore tract and an inside ell corner of said 470.340 acre TI tract;

THENCE: North 16 deg. 06 min. 35 sec. West, departing from the centerline of said creek, along the common line of said TI and Moore tracts, a distance of 46.01 feet to a point on the north bank of said Choctaw Creek for the southwest corner of that certain called 60.85 acre tract of land described as "Tract II" in a deed to Panda Sherman Power, LLC, recorded in Volume 5132, Page 123, D.R.G.C.T.;

THENCE: Along the north bank of Choctaw Creek and the common line of said 470.340 acre TI tract and Panda Sherman tract as follows:

North 67 deg. 26 min. 14 sec. East, a distance of 67.60 feet to a point for corner;
North 35 deg. 12 min. 36 sec. East, a distance of 177.55 feet to a point for corner;
North 66 deg. 05 min. 55 sec. East, a distance of 76.50 feet to a point for corner;
South 51 deg. 47 min. 35 sec. East, a distance of 119.72 feet to a point for corner;
South 58 deg. 54 min. 31 sec. East, a distance of 75.25 feet to a point for corner;
North 57 deg. 10 min. 55 sec. East, a distance of 143.66 feet to a point for corner;
North 27 deg. 07 min. 41 sec. East, a distance of 74.40 feet to a point for corner;
North 41 deg. 18 min. 39 sec. East, a distance of 245.64 feet to a point for corner;
North 37 deg. 37 min. 13 sec. East, a distance of 134.41 feet to a point for corner;
North 84 deg. 41 min. 55 sec. East, a distance of 132.97 feet to a point for corner;
North 65 deg. 15 min. 19 sec. East, a distance of 69.31 feet to a point for corner;
North 84 deg. 58 min. 04 sec. East, a distance of 34.55 feet to a point for corner;
South 74 deg. 50 min. 25 sec. East, a distance of 94.21 feet to a point for corner;
South 64 deg. 53 min. 16 sec. East, a distance of 89.81 feet to a point for corner;
South 46 deg. 49 min. 23 sec. East, a distance of 71.47 feet to a point for corner;
South 84 deg. 10 min. 37 sec. East, a distance of 173.17 feet to a point for corner;
North 53 deg. 21 min. 32 sec. East, a distance of 279.39 feet to a point for corner;
North 78 deg. 02 min. 48 sec. East, a distance of 242.38 feet to a point for corner;
North 28 deg. 48 min. 50 sec. East, a distance of 60.92 feet to a point for corner;
North 07 deg. 31 min. 00 sec. East, a distance of 447.48 feet to a point for corner;
North 82 deg. 02 min. 55 sec. East, a distance of 199.24 feet to a point for corner;
South 76 deg. 32 min. 41 sec. East, a distance of 305.86 feet to a point for corner;
North 43 deg. 40 min. 40 sec. East, a distance of 143.38 feet to a point for corner;
South 65 deg. 28 min. 50 sec. East, a distance of 213.45 feet to a point for corner;
North 61 deg. 52 min. 37 sec. East, a distance of 129.18 feet to a point for corner;
South 89 deg. 05 min. 36 sec. East, a distance of 69.52 feet to a point for the southeast corner of said 60.85 acre Panda Sherman tract and the most northerly northeast corner of said 470.340 acre TI tract, on the west line of that certain called 21.006 acre tract of land described in a deed to Texas Instruments Incorporated, recorded in Volume 3317, Page 177, D.R.G.C.T.;

THENCE: South 15 deg. 25 min. 15 sec. East, along the west line of said 21.006 acre TI tract and the most northeasterly line of said 470.340 TI tract, a distance of 59.11 feet to a point in the centerline of Choctaw Creek for the southwest corner of said 21.006 acre TI tract and same being the northwest corner of the above described 5.450 acre TI tract;

THENCE: Departing from the northeasterly line of said 470.340 acre TI tract, along the common line of said 21.006 acre and 5.450 acre TI tracts and along the centerline of Choctaw Creek as follows:

North 86 deg. 46 min. 05 sec. East, a distance of 135.74 feet to a point for corner;
North 28 deg. 42 min. 36 sec. East, a distance of 222.97 feet to a point for corner;
North 50 deg. 51 min. 41 sec. East, a distance of 115.36 feet to a point for corner;
South 79 deg. 35 min. 04 sec. East, a distance of 190.86 feet to a point for corner;
North 81 deg. 06 min. 41 sec. East, a distance of 161.16 feet to a point for the southeast corner of said 21.006 acre TI tract and the northeast corner of said 5.450 acre TI tract, on the west right-of-way line of the above mentioned U.S. Highway 75 and said point being in a non-tangent curve to the right, having a radius of 5,529.58 feet, a central angle of 11 deg. 19 min. 25 sec. and a chord that bears South 04 deg. 34 min. 05 sec. West – 1,091.05 feet;

THENCE: Along the west right-of-way line of said U.S. Highway 75 and with said curve to the right, at an arc distance of 307.48 feet, passing a 1/2 inch iron rod, topped with a yellow plastic cap, stamped "January Consultants", found for the northeast corner of the above described 136.869 acre TI tract and continuing for a total arc distance of 1,092.83 feet to a 1/2 inch iron rod, found for corner at the end of said curve;

THENCE: South 10 deg. 13 min. 44 sec. West, continuing along the west right-of-way line of said U.S. Highway 75, a distance of 2,772.22 feet to the POINT OF BEGINNING and containing 417.81 acres of land, more or less.

STATE OF TEXAS
REGISTERED
L. H. RINGLEY
4701
PROFESSIONAL
LAND SURVEYOR

I, Lawrence H. Ringley, Registered Professional Land Surveyor in and for the State of Texas, hereby certify that this document was prepared under 22 TAC 663.21, does not necessarily reflect all the results of an on the ground survey, and is not to be used to convey or establish interests in real property except those rights and interests implied or established by the creation or reconfiguration of the boundary of the political subdivision for which it was prepared this 21st Day of August, 2020.

LAWRENCE H. RINGLEY, R.P.L.S. No. 4701

GENERAL NOTES:

1. The area (acres) shown hereon is based on the mathematical closure of the courses and distances reflected on this Survey. It does not include the tolerances that may be present due to positional accuracy of the boundary monuments in place.

2. The bearings shown hereon are Geodetic and referenced to the Texas State Plane Coordinate System, NAD-83, Texas North Central Zone (4202).

EXHIBIT A

MUNICIPAL SETTING DESIGNATION

TEXAS INSTRUMENTS INCORPORATED

417.81 Acres

CITY OF SHERMAN
William Martin Survey, Abstract No. 765
Heirs of Sherrod Dunman Survey, Abstract No. 329
John Chronister Survey, Abstract No. 248
Grayson County, Texas

RINGLEY & ASSOCIATES, INC.
SURVEYING • MAPPING • PLANNING
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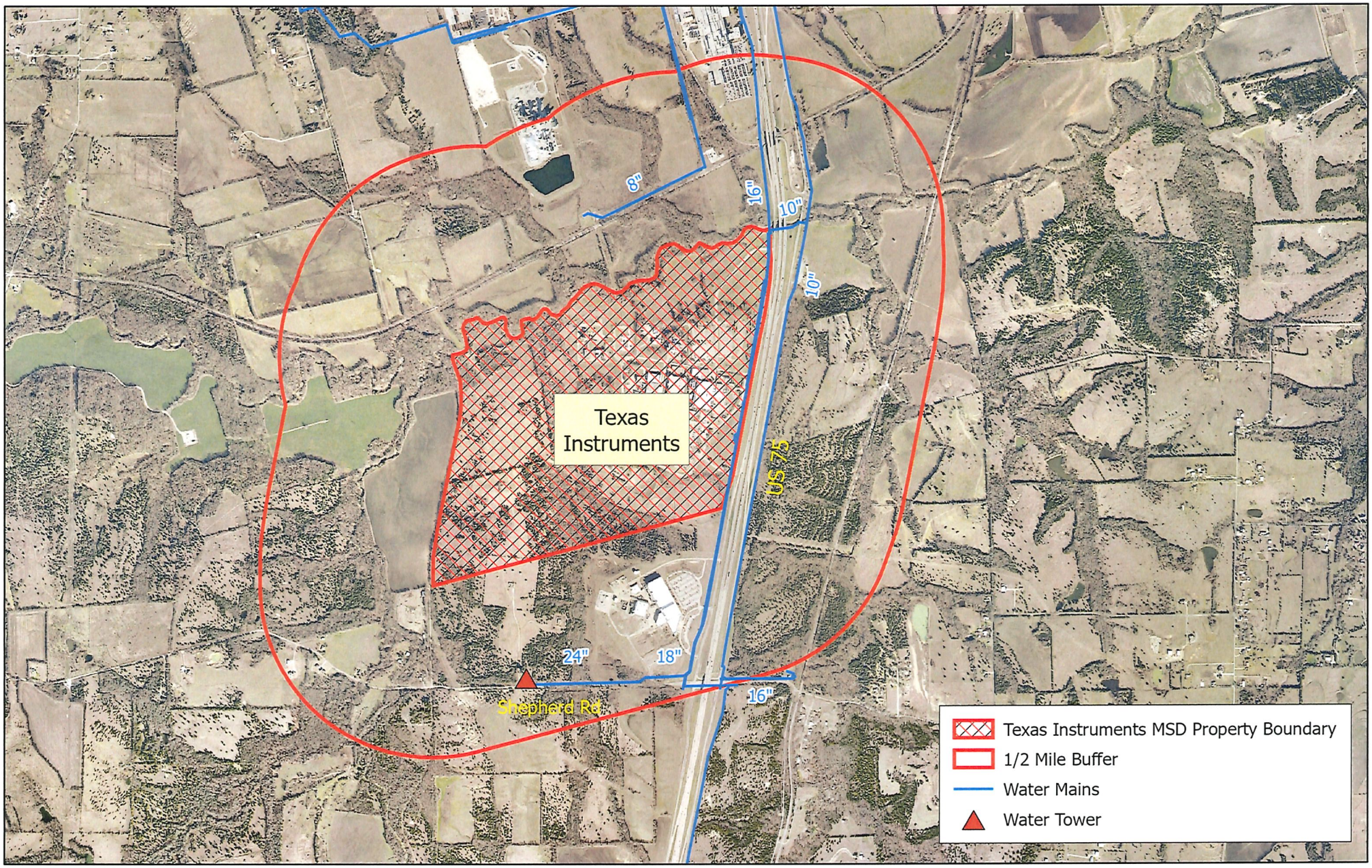
(972) 542-1266

Drawn by	Date	Scale	Job	Title	Sheet
Mark Hook	08/21/2020	N.T.S.	2020-047	2020-047-MSD.DWG	2 of 2



Sherman
ENGINEERING DEPT.
220 W. MULBERRY
SHERMAN, TX 75090

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City of Sherman

Texas Instruments MSD
Property Boundary

SHERMAN CITY COUNCIL
Agenda Communication Form

City Council Regular Meeting **E. 4.**

Meeting Date: 04/19/2021

Prepared By: Tom Pruitt, Utility Engineer

Approved By: Robby Hefton, City Manager

Caption:

RESOLUTION NO. 6730

Approving the Greater Texoma Utility Authority's Intention to Contract with Hayes Construction, LLC for Construction of the North Travis Street Water Line Replacement and New US 75 Water Line Crossing Project

Issue:

Approving the intention of the Greater Texoma Utility Authority (GTUA) to administer an agreement for construction of the North Travis Street Water Line Replacement and New US 75 Water Line Crossing Project

Background:

Bids were opened for the North Travis Street Water Line Replacement and New US 75 Water Line Crossing Project on April 1, 2021. Six (6) responsive bids were received with the low bidder being Hayes Construction, LLC. Bidders qualifications have been checked by the design engineer, Freeman-Millican, Inc., and the contractor was found to be capable both materially and financially to complete this project as designed. Therefore, staff recommends award of this project concurrent with Greater Texoma Utility Authority (GTUA).

Origination:

Engineering Department

Financial Consideration:

The project is funded in the 2019 GTUA Open Market issue and budgeted in the Utility Improvement Fund for fiscal year 2021.

Staff Recommendation:

It is recommended that the City Council approve GTUA’s intention to contract with Hayes Construction, LLC in the amount of $473,839.00, for construction of the North Travis Street Water Line Replacement & New US 75 Water Line Crossing Project.

Alternatives:

As may be directed by the City Council

Attachments

Resolution No. 6730
Bid Tabulation
Letter of Recommendation
Bid Proposal
Location Map

RESOLUTION NO. 6730

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, APPROVING THE GREATER TEXOMA UTILITY AUTHORITY'S INTENTION TO CONTRACT WITH HAYES CONSTRUCTION, LLC FOR THE CONSTRUCTION OF THE NORTH TRAVIS STREET WATER LINE REPLACEMENT AND NEW US 75 WATER LINE CROSSING PROJECT; 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 of Sherman hereby approves the Greater Texoma Utility Authority's intention to enter into a contract with Hayes Construction, LLC in the total amount of Four Hundred Seventy-Three Thousand Eight Hundred Thirty-Nine Dollars and Zero Cents ($473,893.00) for construction of the North Travis Street Water line Replacement and New US 75 Water Line Crossing Project.

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, TX on this the_____day of_____, 2021.

CITY OF SHERMAN, TEXAS

ATTEST:

BY: _____ **BY:** _____
LINDA ASHBY, CITY CLERK **DAVID PLYLER, MAYOR**

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

BY: _____
NAME: _____
RYAN PITTMAN, CITY ATTORNEY

BID TABULATION

OWNER:	GTUA/City of Sherman			Contractor	Hayes Construction	Contractor	Summit Solutions	Contractor	Dickerson Construction Company
PROJECT:	GTUA/Sherman North Travis Street Water Line Replacement/US 75 Water Line Crossing			Address	409 Waters Edge Way	Address	190 E. Stacey Rd.	Address	P.O. Box 181
ENGINEER:	FREEMAN-MILLICAN, INC.			City, State	Murphy, TX 75094	City, State	Allen, TX 75002	City, State	Celina, TX 75009
BID DATE:	April 1, 2021			Phone	972-658-2605	Phone	678-283-7355	Phone	972-382-2123
ITEM NO.	DESCRIPTION	QUANTITY	UNIT	UNIT PRICE	TOTAL AMOUNT	UNIT PRICE	TOTAL AMOUNT	UNIT PRICE	TOTAL AMOUNT
P.1	Mobilization	1	LS	18,540.00	18,540.00	17,500.00	17,500.00	35,000.00	35,000.00
P.2	12" WL bore in 20" casing US 75 S of Choctaw Cr per TXDot Permit	400	LF	360.00	144,000.00	250.00	100,000.00	400.00	160,000.00
P.3	12" WL open cut	39	LF	90.00	3,510.00	125.00	4,875.00	175.00	6,825.00
P.4	2 - 10" GV Installed	2	EA	2,300.00	4,600.00	2,500.00	5,000.00	2,500.00	5,000.00
P.5	1 - 12" GV Installed	1	EA	2,600.00	2,600.00	3,000.00	3,000.00	2,750.00	2,750.00
P.6	3 - 12"/10" reducers, 12" TEE & 12" 90 bend	3	EA	3,300.00	9,900.00	2,500.00	7,500.00	6,000.00	18,000.00
P.7	Cut & plug 10" WL and abandon 1 west side, 1 N	2	EA	575.00	1,150.00	1,000.00	2,000.00	1,000.00	2,000.00
P.8	3 Flg adaptors/solid sleeves	3	EA	1,050.00	3,150.00	1,000.00	3,000.00	1,200.00	3,600.00
P.9	Stabilize Grade 10% to 20%	200	SY	18.00	3,600.00	10.00	2,000.00	25.00	5,000.00
P.10	Furnish and Install 12” Waterline by Open Cut	2,705	L.F.	52.00	140,660.00	110.00	297,550.00	90.00	243,450.00
P.11	Remove & Replace 2 wood yard fences	1	LS	4,100.00	4,100.00	5,000.00	5,000.00	1,000.00	1,000.00
P.12	Traffic control, N Travis & S US 75	1	L.S.	4,500.00	4,500.00	10,000.00	10,000.00	6,500.00	6,500.00
P.13	12” Pipe by Bore Including Steel Encasem',	91	L.F.	300.00	27,300.00	250.00	22,750.00	425.00	38,675.00
P.14	N Creek street 45' + N Travis St 91.25' TxDot Per't	45	L.F.	300.00	13,500.00	250.00	11,250.00	425.00	19,125.00
P.15	18" x 12" hot tap w/12" Gate Valve congested	1	EA.	7,800.00	7,800.00	10,000.00	10,000.00	7,000.00	7,000.00
P.16	12"x 12"x 8" Tee w/8" GV	3	EA.	3,700.00	11,100.00	3,000.00	9,000.00	3,000.00	9,000.00
P.17	12"x 12"x 6" Tee w/6" GV	1	EA.	2,600.00	2,600.00	2,500.00	2,500.00	3,000.00	3,000.00
P.18	12"x 12"x 12" TEE w/12" GV	1	EA	4,900.00	4,900.00	4,000.00	4,000.00	4,000.00	4,000.00
P.19	12" Gate Valve	3	EA.	2,900.00	8,700.00	3,000.00	9,000.00	2,500.00	7,500.00
P.20	copper house service line connections	2	EA.	1,600.00	3,200.00	1,500.00	3,000.00	1,750.00	3,500.00
P.21	Fire Hydrants,	4	EA.	5,400.00	21,600.00	6,000.00	24,000.00	5,200.00	20,800.00
P.22	Crushed stone foundation rock	50	CY	55.00	2,750.00	50.00	2,500.00	37.50	1,875.00
P.23	Remove & replace concrete pavement	35	S.Y.	110.00	3,850.00	100.00	3,500.00	110.00	3,850.00
P.24	Remove & replace gravel driveway	20	S.Y.	52.00	1,040.00	50.00	1,000.00	10.00	200.00
P.25	Remove and replace HMAC pavement	50	S.Y.	90.00	4,500.00	100.00	5,000.00	110.00	5,500.00
P.26	Prepare top soil and install sod	1,293	S.Y.	8.00	10,344.00	5.00	6,465.00	8.00	10,344.00
P.27	Trench Safety	2,738	L.F.	2.50	6,845.00	0.50	1,369.00	2.00	5,476.00
P.28	SWPPP	1	L.S.	3,500.00	3,500.00	2,241.00	2,241.00	5,500.00	5,500.00
	TOTAL AMOUNT OF CONTRACT BID				**473,839.00**		**$575,000.00**		***$634,470.00***
	Time of Completion (Calendar Days)				270 days		270 days		270 days

Item in bold and italics is a math error.

4/5/2021

STATE OF TEXAS
MICHAEL K. STACEY
65460
LICENSED
PROFESSIONAL ENGINEER

BID TABULATION

OWNER:	GTUA/City of Sherman			Contractor	Lynn Vessels Construction, LLC	Contractor	Pittard Construction	Contractor	Atkins Bros. Co, Inc
PROJECT:	GTUA/Sherman North Travis Street Water Line Replacement/US 75 Water Line Crossing			Address	P.O. Box 1212	Address	190 E. Stacy Rd #306-306	Address	P.O. Box 990
ENGINEER:	FREEMAN-MILLICAN, INC.			City, State	Sherman, TX 75091	City, State	Allen, TX 75002	City, State	Midlothian, TX 76065
BID DATE:	April 1, 2021			Phone	903-893-4300	Phone	903-818-2447	Phone	972-775-7955
ITEM NO.	DESCRIPTION	QUANTITY	UNIT	UNIT PRICE	TOTAL AMOUNT	UNIT PRICE	TOTAL AMOUNT	UNIT PRICE	TOTAL AMOUNT
P.1	Mobilization	1	LS	51,882.00	51,882.00	30,000.00	30,000.00	10,000.00	10,000.00
P.2	12" WL bore in 20" casing US 75 S of Choctaw Cr per TXDot Permit	400	LF	418.31	167,324.00	295.00	118,000.00	431.00	172,400.00
P.3	12" WL open cut	39	LF	309.64	12,075.96	65.00	2,535.00	70.00	2,730.00
P.4	2 - 10" GV Installed	2	EA	2,167.57	4,335.14	2,290.00	4,580.00	2,000.00	4,000.00
P.5	1 - 12" GV Installed	1	EA	2,579.00	2,579.00	2,975.00	2,975.00	2,800.00	2,800.00
P.6	3 - 12"/10" reducers, 12" TEE & 12" 90 bend	3	EA	1,562.72	4,688.16	2,982.00	8,946.00	1,500.00	4,500.00
P.7	Cut & plug 10" WL and abandon 1 west side, 1 N	2	EA	2,112.92	***4,225.84***	1,500.00	3,000.00	3,000.00	6,000.00
P.8	3 Flg adaptors/solid sleeves	3	EA	771.94	2,315.82	750.00	2,250.00	500.00	1,500.00
P.9	Stabilize Grade 10% to 20%	200	SY	7.20	1,440.00	10.00	2,000.00	20.00	4,000.00
P.10	Furnish and Install 12” Waterline by Open Cut	2,705	L.F.	90.01	243,477.05	130.00	351,650.00	91.00	246,155.00
P.11	Remove & Replace 2 wood yard fences	1	LS	7,800.00	7,800.00	5,250.00	5,250.00	6,500.00	6,500.00
P.12	Traffic control, N Travis & S US 75	1	L.S.	10,800.00	10,800.00	8,000.00	8,000.00	3,000.00	3,000.00
P.13	12” Pipe by Bore Including Steel Encasem',	91	L.F.	414.89	37,754.99	375.00	34,125.00	221.00	20,111.00
P.14	N Creek street 45' + N Travis St 91.25' TxDot Per't	45	L.F.	424.33	19,094.85	395.00	17,775.00	1,300.00	58,500.00
P.15	18" x 12" hot tap w/12" Gate Valve congested	1	EA.	11,053.37	11,053.37	5,750.00	5,750.00	15,000.00	15,000.00
P.16	12"x 12"x 8" Tee w/8" GV	3	EA.	3,488.18	10,464.54	3,350.00	10,050.00	6,500.00	19,500.00
P.17	12"x 12"x 6" Tee w/6" GV	1	EA.	1,974.61	1,974.61	2,655.00	2,655.00	6,500.00	6,500.00
P.18	12"x 12"x 12" TEE w/12" GV	1	EA	3,911.64	3,911.64	4,100.00	4,100.00	7,500.00	7,500.00
P.19	12" Gate Valve	3	EA.	2,549.00	7,647.00	2,675.00	8,025.00	2,400.00	7,200.00
P.20	copper house service line connections	2	EA.	1,413.76	2,827.52	1,500.00	3,000.00	3,500.00	7,000.00
P.21	Fire Hydrants,	4	EA.	5,630.92	22,523.68	5,495.00	21,980.00	5,000.00	20,000.00
P.22	Crushed stone foundation rock	50	CY	42.00	2,100.00	32.00	1,600.00	90.00	4,500.00
P.23	Remove & replace concrete pavement	35	S.Y.	123.43	4,320.05	115.00	4,025.00	175.00	6,125.00
P.24	Remove & replace gravel driveway	20	S.Y.	90.00	1,800.00	30.00	600.00	70.00	1,400.00
P.25	Remove and replace HMAC pavement	50	S.Y.	183.12	9,156.00	75.00	3,750.00	149.00	7,450.00
P.26	Prepare top soil and install sod	1,293	S.Y.	9.60	12,412.80	4.00	5,172.00	28.00	36,204.00
P.27	Trench Safety	2,738	L.F.	1.20	3,285.60	1.50	4,107.00	0.50	1,369.00
P.28	SWPPP	1	L.S.	6,654.00	6,654.00	4,500.00	4,500.00	2,800.00	2,800.00
	TOTAL AMOUNT OF CONTRACT BID				**669,923.62**		**$670,400.00**		**$684,744.00**
	Time of Completion (Calendar Days)				270 days		270 days		270 days

Item in bold and italics is a math error.

FREEMAN-MILLICAN, INC.
ENGINEERS - ARCHITECTS - PLANNERS

TERRY MILLICAN, R.P.L.S.
VICTOR ACUY, P.E.
RICHARD A. DORMIER, P.E.
JOHN D. GATTIS, A.I.A.
DAMIR LULO, P.E.
MICHAEL K. STACEY, P.E.
LARRY J. FREEMAN, P.E.

April 7, 2021

Mr. Drew Satterwhite, P.E.
General Manager
Greater Texoma Utility Authority
5100 Airport Drive
Denison, Texas 75020

Re: Sherman NORTH TRAVIS STREET WATERLINE REPLACE & US 75 BORE Project

Dear Mr. Satterwhite:

Bids were received for the construction of the North Travis Street Waterline Replacement & US 75 Bore Project at the Sherman Engineering Department April 1, 2021. A copy of the bid tabulation is attached. The project includes replacement of a very old 12" cast iron waterline from Canyon Groove to North Creek Drive and a 12" waterline bore under US 75 on the south side of Choctaw Creek.

Out of about 20 general contractors that downloaded the bid document, we received 6 bids. The low bidder, Hayes Construction LLC, has not previously worked on a Sherman project. Hayes Construction has done a 6" wastewater force main project with a 20' deep road bore for us at the City of Lavon. Contractor did a good job. It is a concern when a low bidder is so much lower than the other bidders; however, after sharing the attached bid tabulations with him, he has advised he is ready to do the project. Pottsboro and Blackrock Water Supply Corporation confirm that he has done a good job on projects for them. Hayes Construction's refence list includes a lot of work for ATT. We visited ATT projects in Frisco (US 380) and downtown Denison. We saw congested projects with good equipment and well-organized work in progress.

Hayes Construction's low bid is in the amount of $473,839.00. That is about $100,000 lower than the 2nd bid and about $160,000 lower than the 3rd bid. Our latest revised opinion of cost is $763,053.00.

We recommend that the Greater Texoma Utility Authority (GTUA) award the contract for the project to Hayes Construction, LLC amount of $473,839.00.

Sincerely,

FREEMAN - MILLICAN, INC.

David E. Gattis

David E. Gattis, P.E.
Enclosures, Copy: Sherman, Tom Pruitt, Utility Engineer

PROPOSAL FORM
CITY OF SHERMAN
NORTH TRAVIS STREET – WATERLINE REPLACEMENT
AND
U.S. HWY 75 WATER LINE CROSSING

TO:

Pursuant to the foregoing Bidding Requirements and General Requirements, the undersigned Bidder hereby proposes to do all the work and to furnish all necessary superintendence, labor, machinery, equipment, tools and materials, and to complete all work upon which he bids as provided by the attached specifications and shown on the plans, and binds himself on the accompanying forms, for performing and completing the said work within the required time, and furnish all required guarantees, for the prices to-wit:

BASE BID ITEMS

ITEM	QUANTITY	UNITS	DESCRIPTION	TOTAL
P.1	1	LS	For furnishing all materials, labor and equipment to mobilize to both construction sites, complete in place, the sum of: **eighteen thousand five hundred forty** Dollars **no/100** Cents ($ **18540.00**) per lump sum	$ **18,540.00**
P.2	400	LF	For furnishing all materials, labor and equipment to construct twelve (12") inch PVC DR 18 water pipe in twenty (20") steel encasement or 12" fused PVC water pipe in 16" steel encasement under U.S. Highway 75 per TxDOT permit by other than open cut including excavation, embedment, pipe, casing pipe, fittings, backfilling, and compacting, complete in place, the sum of: Contractor specify here DR 18 PVC or fused PVC **Three hundred sixty** Dollars **no/100** Cents ($ **360.00**) per linear foot	$ **144,000.00**

ITEM	QUANTITY	UNITS	DESCRIPTION	TOTAL
P.3	39	LF	For furnishing all materials, labor and equipment to construct twelve (12") inch PVC DR 18 water pipe by open cut next to the U.S. Highway 75 crossing including excavation, embedment, pipe, fittings, backfilling, and compacting, complete in place, the sum of: **Ninety** Dollars **no/100** Cents ($ **90.00**) per linear foot	$ **3,510.00**
P.4	2	Ea.	For furnishing all materials, labor and equipment to install 10" gate valve, complete in place, the sum of: **Two thousand three hundred** Dollars **no/100** Cents ($ **2300.00**) per each	$ **4,600.00**
P.5	1	Ea.	For furnishing all materials, labor and equipment to install 12" gate valve, complete in place, the sum of: **Two thousand six hundred** Dollars **no/100** Cents ($ **2600.00**) per each	$ **2,600.00**
P.6	~~1~~ ~~1~~ 3	Ea.	For furnishing all materials, labor and equipment to install 12"x10" reducer, 12" tee and 12" 90 degree bend, complete in place, the sum of: **Three thousand three hundred** Dollars **no/100** Cents ($ **3300.00**) per each	$ **9,900.00**
P.7	2	Ea.	For furnishing all materials, labor and equipment to cut, plug and abandon 10" water lines, complete in place, the sum of: **Five hundred seventy five** Dollars **no/100** Cents ($ **575.00**) per each	$ **1,150.00**

ITEM	QUANTITY	UNITS	DESCRIPTION	TOTAL
P.8	3	Ea.	For furnishing all materials, labor and equipment to install flange solid sleeve adapters, complete in place, the sum of: **One thousand fifty** Dollars **no/100** Cents ($ **1050.00**) per each	$ **3,150.00**
P.9	200	SY.	For furnishing all materials, labor and equipment to stabilize existing grade 10 to 20%, complete in place, the sum of: **Eighteen** Dollars **no/100** Cents ($ **18.00**) per square yard	$ **3,600.00**
P.10	2,705	LF	For furnishing all materials, labor and equipment to construct twelve (12") inch PVC water pipe, including excavation, embedment, pipe, fittings, backfilling, compacting, repair/replace irrigation systems and re-vegetation on slopes less than 10%, complete in place, the sum of: **Fifty two** Dollars **no/100** Cents ($ **52.00**) per linear foot	$ **140,660.00**
P.11	1	LS.	For furnishing all materials, labor and equipment to remove and replace two wooden yard fences, complete in place, the sum of: **Four thousand one hundred** Dollars **no/100** Cents ($ **4100.00**) per lump sum	$ **4,100.00**
P.12	1	LS.	For furnishing all materials, labor and equipment to design, install and maintain traffic control on both the North Travis and South US 75 projects, complete in place, the sum of: **Four thousand five hundred** Dollars **no/100** Cents ($ **4500.00**) per lump sum	$ **4,500.00**

ITEM	QUANTITY	UNITS	DESCRIPTION	TOTAL
P.13	91	LF	For furnishing all materials, labor and equipment to construct twelve (12") inch PVC DR 18 water pipe in twenty (20") steel encasement or 12" fused PVC water pipe in 16" steel encasement under North Travis by other than open cut including excavation, embedment, pipe, casing pipe, fittings, backfilling, and compacting, complete in place, the sum of: Contractor specify here (DR 18) or fused PVC _____ **Three hundred** Dollars **no/100** Cents ($ **300.00**) per linear foot	$ **27,300.00**
P.14	45	LF	For furnishing all materials, labor and equipment to construct twelve (12") inch PVC DR 18 water pipe in twenty (20") steel encasement or 12" fused PVC water pipe in 16" steel encasement under North Creek Dr. by other than open cut including excavation, embedment, pipe, casing pipe, fittings, backfilling, and compacting, complete in place, the sum of: Contractor specify here (DR 18) or fused PVC _____ **Three hundred** Dollars **no/100** Cents ($ **300.00**) per linear foot	$ **13,500.00**
P.15	1	Ea.	For furnishing all materials, labor and equipment to construct 18"x12" tapping sleeve with twelve (12") inch gate valve, including excavation, embedment, pipe, fittings, backfilling, compacting, and re-vegetation on slopes less than 10%, complete in place, the sum of: **Seven thousand eight hundred** Dollars **no/100** Cents ($ **7,800.00**) per each	$ **7,800.00**

ITEM	QUANTITY	UNITS	DESCRIPTION	TOTAL
P.16	3	Ea	For furnishing all materials, labor and equipment to construct 12"x12"x8" tee with eight (8") inch gate valve, including excavation, embedment, pipe, fittings, backfilling, compacting, and re-vegetation on slopes less than 10%, complete in place, the sum of: **Three thousand seven hundred** Dollars **no/100** Cents ($ **3700.00**) per each	$ **11,100.00**
P.17	1	Ea	For furnishing all materials, labor and equipment to construct 12"x12"x6" tee with six (6") inch gate valve, including excavation, embedment, pipe, fittings, backfilling, compacting, and re-vegetation on slopes less than 10%, complete in place, the sum of: **Two thousand six hundred** Dollars **no/100** Cents ($ **2600.00**) per each	$ **2,600.00**
P.18	1	Ea	For furnishing all materials, labor and equipment to construct 12"x12"x12" tee with twelve (12") inch gate valve, including excavation, embedment, pipe, fittings, backfilling, compacting, and re-vegetation on slopes less than 10%, complete in place, the sum of: **Four thousand nine hundred** Dollars **no/100** Cents ($ **4900.00**) per each	$ **4,900.00**
P.19	3	Ea.	For furnishing all materials, labor and equipment to install 12" gate valve, complete in place, the sum of: **Two thousand nine hundred** Dollars **no/100** Cents ($ **2900.00**) per each	$ **8,700.00**
P.20	2	Ea.	For furnishing all materials, labor and equipment to install copper house service line connections, complete in place, the sum of: **One thousand six hundred** Dollars **no/100** Cents ($ **1600.00**) per each	$ **3,200.00**

ITEM	QUANTITY	UNITS	DESCRIPTION	TOTAL
P.21	4	Ea.	For furnishing all materials, labor and equipment to install fire hydrant assemblies, complete in place, the sum of: **Five thousand four hundred** Dollars **no/100** Cents ($ **5400.00**) per each	$ **21,600.00**
P.22	50	CY	For furnishing all materials, labor and equipment to construct crushed stone trench foundation for soft subgrade in pipe trench excavation, only as directed by the owner, complete in place, the sum of: **Fifty five** Dollars **no/100** Cents ($ **55.00**) per cubic yard	$ **2,750.00**
P.23	35	SY	For furnishing all materials, labor and equipment to remove and replace concrete pavement, complete in place, the sum of: **One hundred ten** Dollars **no/100** Cents ($ **110.00**) per square yard	$ **3,850.00**
P.24	20	SY	For furnishing all materials, labor and equipment to remove and replace gravel driveways, complete in place, the sum of: **Fifty two** Dollars **no/100** Cents ($ **52.00**) per square yard	$ **1,040.00**
P.25	50	SY	For furnishing all materials, labor and equipment to remove and replace asphalt pavement, complete in place, the sum of: **Ninety** Dollars **no/100** Cents ($ **90.00**) per square yard	$ **4,500.00**

ITEM	QUANTITY	UNITS	DESCRIPTION	TOTAL
P.26	1,293	SY	For furnishing all materials, labor and equipment to install grass sod, complete in place, the sum of: **Eight** Dollars **no/100** Cents ($ **8.00**) per square yard	$ **10,344.00**
P.27	2,738	LF	For furnishing all materials, labor and equipment to design and install trench safety system, complete in place, the sum of: **Two** Dollars **50/100** Cents ($ **2.50**) per linear foot	$ **6,845.00**
P.28	1	LS	For furnishing all materials, labor and equipment to obtain authorization to discharge storm water associated with construction activity related to this project under the Texas Pollutant Discharge Elimination System (TPDES) Construction General Permit No. TXR150000 (CGP), including the City of Sherman as a co-permitee, and to design and implement a Storm Water Pollution Prevention Plan (SWP3), complete in place, the sum of: **Three thousand five hundred** Dollars **no/100** Cents ($ **3500.00**) per lump sum	$ **3,500.00**
			TOTAL AMOUNT OF BASE BID (Bid Items P.1 – P.28)	$ **473,839.00**

The undersigned bidder hereby declares that he has visited the site of the work and has carefully examined the Contract Documents pertaining to the work covered by the above bid, and he further agrees to commence work within ten (10) days after the date of the work order and that the number of consecutive calendar days after the date of the work order required to substantially complete the work on which he has bid is:

270
(Calendar Days)

In accordance with Sections 151.309 and 151.311 of the Texas Tax Code, the cost of materials to be used in this project which are exempt from the payment of state sales tax is: $ **177,810.00**

The undersigned bidder understands and agrees that all work not provided for in the above proposal items but called for in the Contract Documents is subsidiary to these proposal items and that the cost of this subsidiary work has been included in the above prices.

Enclosed with this proposal is a certified check for N/A dollars ($ N/A), or a proposal bond in the sum of **5% of bid amount**, which it is agreed shall be collected and retained by the Owner as liquidated damages in the event this proposal is accepted by the Owner within sixty (60) days after the bids are received and the undersigned fails to execute the contract required bond for the Owner within ten (10) days after date said proposal is accepted. Otherwise, said check or bond will be returned to the undersigned.

Addenda Received: **No. 1, No. 2**

Bidder: **Hayes Construction, LLC.**
(Company)

By: **Lara Jackson**
(Company Officer)

Office Held: **Director of Operations, Co-Owner**

Address: **409 Waters Edge Way**

City: **Murphy**

County: **Collin**

State: **Texas** Zip: **75094**

Phone: **972-658-2605**

CONTRACTOR'S QUALIFICATION STATEMENT

Submitted by Hayes Construction, LLC.
(Name of Company/Organization)

Address 409 Waters Edge Way, Murphy, TX 75094

Authorized Official Lara Jackson

Principal Office Address 575 Cooks Corner Rd, Pottsboro, TX 75076

LLC

____Corporation ____Partnership ____Individual ____Joint Venture

I. History of Company/Organization

A. How many years has your company/organization been in business as a Contractor? **30 years**

B. How many years has your company/organization been in business under its present business name? **5 years**

List other names your company/organization has used:

Gary Hayes Construction

C. If your company/organization is a corporation,

When was it incorporated?

State of incorporation:

President's name:

Secretary's name:

D. If your company/organization is a partnership,

Date of partnership:

Type of partnership:

Names of general partners:

E. If your company/organization is owned individually,

Date of organization:

Name of owner:

F. If your company/organization is other than listed above, describe the organization and name all principals:

Limited Liability Company, formed in 4/2016 in Texas
Principals- Lara Jackson and Gary Hayes

II. Licensing

List jurisdictions and trade categories in which your company/organization is qualified to do business:

Utility construction, including wet and dry utility.

III. Experience

A. List the categories of work that your company/organization normally performs with its own work forces.

Utility construction, including wet and dry utility.

B. Claims and Lawsuits. (Please attach details for any of the following answered "yes.")

1. Has your company/organization ever failed to complete any work awarded to it? No X Yes _____
2. Are there any suits, judgments, claims, or arbitration proceedings pending against your company/organization or its officers? No X Yes _____
3. Has your company/organization filed any lawsuit or requested arbitration with regard to construction contracts in the past five years? No X Yes _____

C. Within the last five years, has any officer or principal of your company/ organization ever been an officer or principal of any other organization when it did not complete a construction contract? (Please attach details if answered "yes.") No X Yes _____

D. Provide on a separate sheet the major construction projects your organization has in progress, providing the name of the project, owner, amount, percent of completion and scheduled completion date. **see attached**

State the worth of the total work in progress and under contract:

$ 1,662,002.00

E. Provide on a separate sheet of paper the major projects your organization has completed during the past five years, including the name of the engineer.

see attached

IV. References

A. Trade References:

Associated Concrete Cutting
PO Box 541224
Dallas, TX 75354-1224
214-350-4436
tonya@associatedcutting.com

Cornerstone Ontime Concrete LLC.
5116 Sun Valley Dr
Ft Worth, TX 76119
817-516-2050
dowen@cornerstonedfw.com

B. Bank References:

Jami Clay
First United Bank
Durant, OK
jclay@firstunitedbank.com
580-634-6505
580-916-2216

C. Bonding Company:

Kristofor Spiegel
SureTec Insurance Company
5905 Legacy Drive, Suite 400
Plano, TX 75024
spiegel@hempkins.com
903-463-6251

V. Financial Statement

Attach a financial statement, preferably audited for your organization's latest fiscal year. **compiled financial statement attached**

Name and address of your auditor:

VI. Safety Information

In evaluating bids, the city may consider the safety records of all bidders. Accordingly, please provide the following information:

A. In the last five years, has any person died as a result of injuries received while working for you or your company/organization? If so, please state the name of the owner of the project, the state, county, city, and street address of the project, and the date on which the accident resulting in the fatality occurred.

No __X__ Yes _____

B. Have you or your company/organization received a Citation and Notification of Penalty, citation, or warning from OSHA in the last five years? If so, please state the date and place of the inspection, the violation that was observed or reported, the penalty imposed and the corrective action taken.

No __X__ Yes _____

C. Please attach a statement from your workers' compensation insurance carrier sating your experience modifier.

D. Please state the name and address of your workers' compensation insurance carrier and the number of your workers' compensation policy.

Texas Mutual
PO Box 841843
Dallas, TX 75284-1843
Policy 0002032792

Crystal Howell
crystal@moyerinsurancegroup.com
512-297-9840

VII. In determining to whom to award a contract, the city may consider, among other things:

(A) The purchase price;
(B) The reputation of the vendor and the vendor's goods or services;
(C) The quality of the vendor's goods or services;
(D) The extent to which the goods or services meet the city's needs;
(E) The vendor's past relationship with the city;
(F) The impact on the ability of the city to comply with rules relating to historically underutilized businesses;
(G) The total long-term cost to the the city to acquire the vendor's goods or services; and
(H) Any other relevant factors specifically listed in the request for bids or proposals.

Accordingly, please provide any information that addresses any of these factors:

VIII. Signature

In submitting this information, we affirm, under oath, that the documentation and information submitted is true and correct, and it is not intended to be misleading, and we understand that if it is found to be false, that it can be grounds for disqualification.

Submitted by: **Hayes Construction, LLC.**

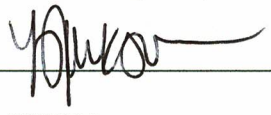
(Name and address of company/organization)

409 Waters Edge Way

Murphy, TX 75094

By: **Director of Operations, Co-Owner**

(Title)

Signature: 

Date: **4/1/2021**

Hayes Construction, LLC.
409 Waters Edge Way
Murphy, TX 75094
Tel 214.551.9040

Hayes Construction

IN PROGRESS PROJECTS 4.1.2021

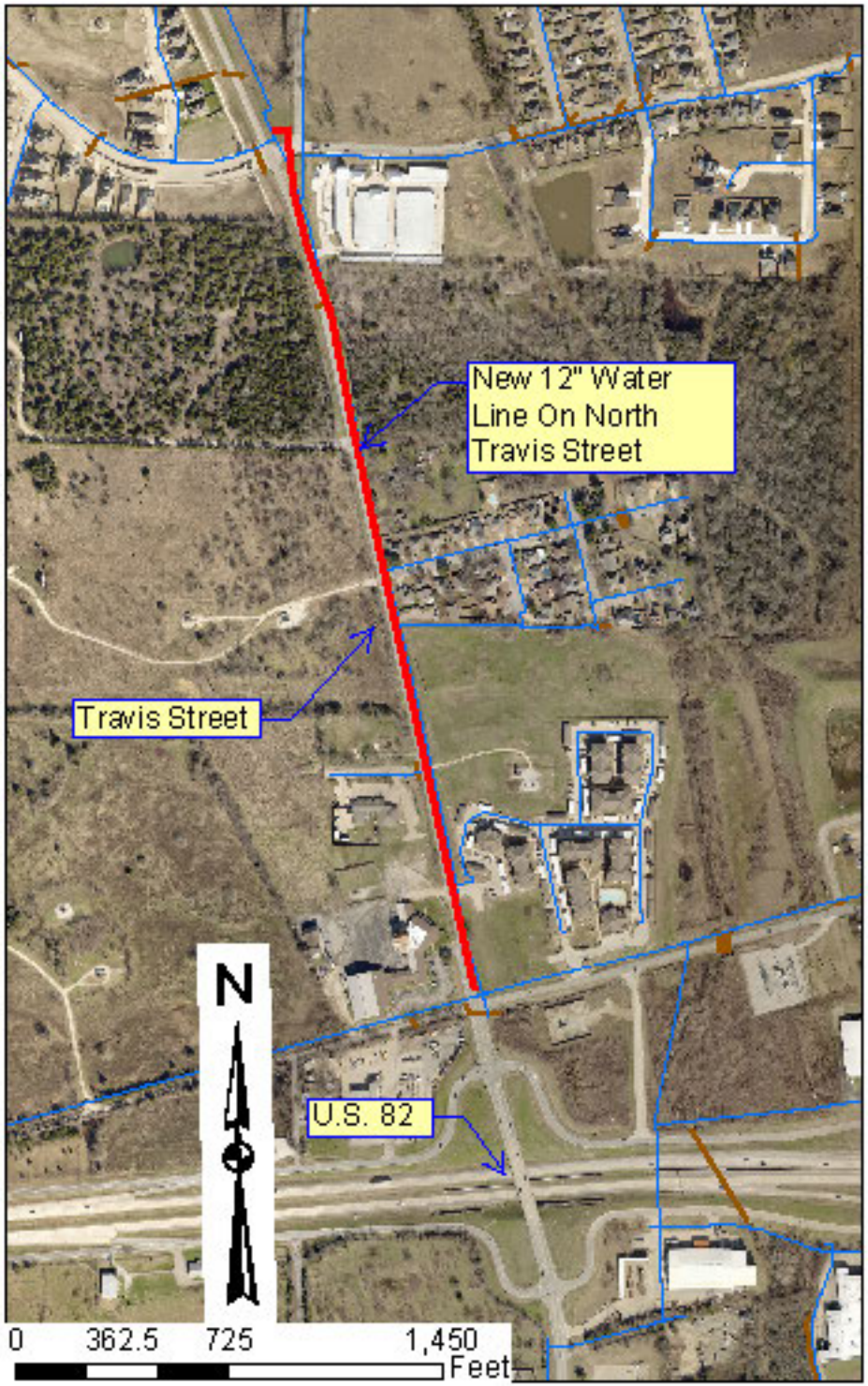
PROJECT NAME	OWNER	AMOUNT	PERCENT COMPLETE	PROJECTED COMPLETE DATE
A0219P0- ROFF, SERVICE INSTALL	AT&T	$17,270.00	90%	4/5/2021
A01SPAP- PROSPER, FISHTRAP RD RELOCATION	AT&T	$58,440.00	98%	4/5/2021
A01XL1R- DURANT, UNIVERSITY BLVD RELOCATION	AT&T	$35,600.00	95%	4/9/2021
A01WAVV- WATAUGA, BLUE MOUND RD RELOCATION	AT&T	$419,993.00	70%	6/1/2021
A01JFHG- DENTON CO, HWY 380 RELOCATION	AT&T	$435,119.00	90%	4/15/2021
A01YN50- DENISON DEPOT/ MUSIC ALLEY RELOCATION	AT&T	$421,400.00	15%	5/15/2021
A01XV5K- LEWISVILLE CRAN NODES	AT&T	$274,180.00	5%	6/30/2021

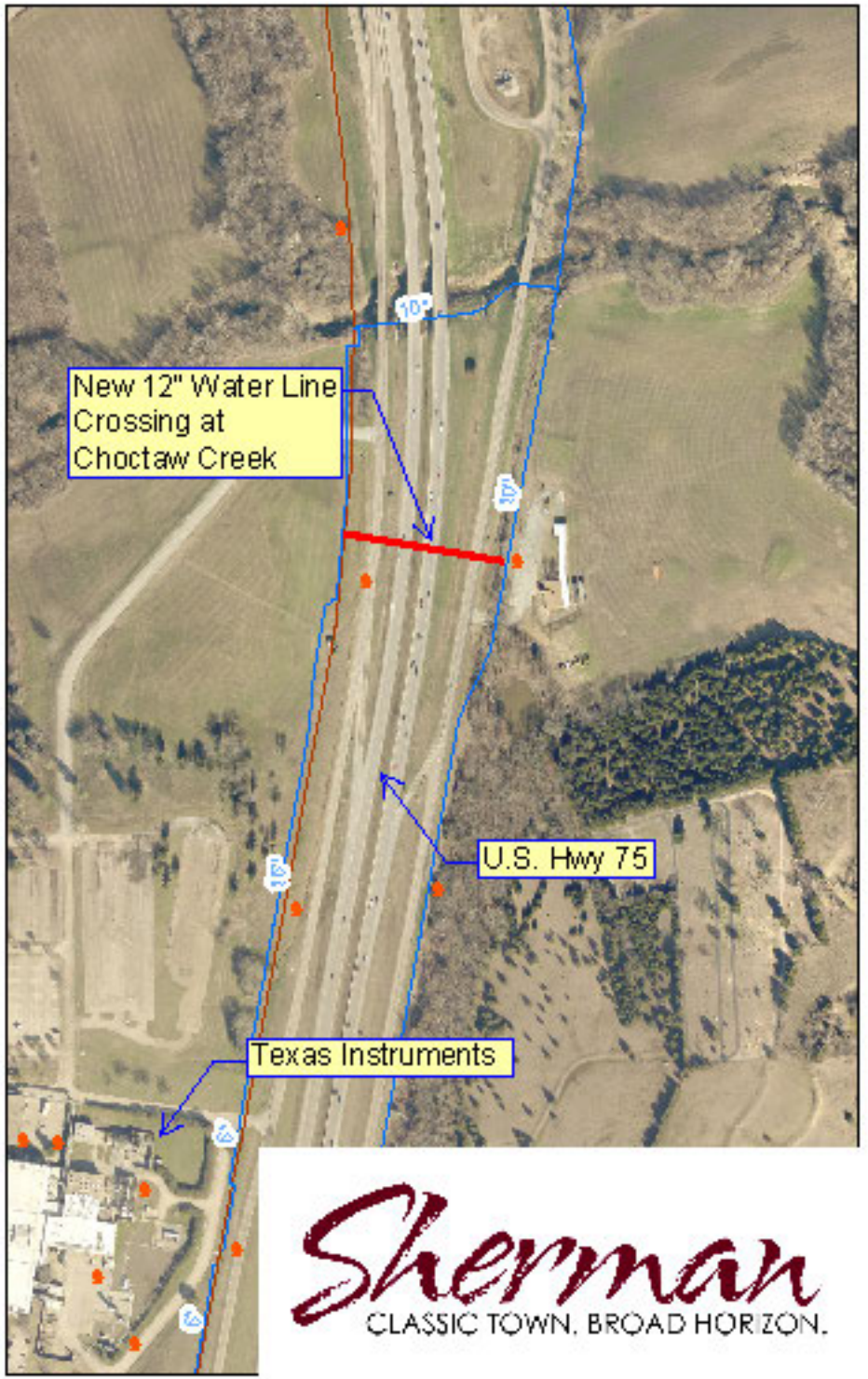
Hayes Construction, LLC.
409 Waters Edge Way
Murphy, TX 75094
Tel 214.551.9040

4.1.2021

Below is a sampling of our work from the last couple of years with similar scope as proposed project (including wet utility, bore work crossing state controlled roadways, and open cut placement). Expanded work history is available upon request.

Project for	Contact info	Complete Date	Scope of work
AT&T	Billy Freeman 972-965-8520 bf5766@att.com	2/2021	Relocating facilites along Frontier Rd from DNT to Preston in Prosper/Celina
Blackrock Water	Mike Sloggett 940-395-9475 mike@blackrockwater.com	11/16/2020	Installed new water line with associated tie ins and service bores
AT&T	Billy Freeman 972-965-8520 bf5766@att.com	10/27/2020	Placing fiber cable, project included 135ft bore crossing Hwy 380 (TXDOT managed roadway)
City of Lavon	Mark D. Hill, P.E. 214-503-0555 ext. 115 mdhill@fmi-dallas.com	9/10/2020	Construction of 6" force main under and along SH 205 at Endeavour Blvd, including steel casing by dry bore
Blackrock Water	Mike Sloggett 940-395-9475 mike@blackrockwater.com	7/23/2020	Road bore for new water line including 2 water taps
AT&T	G&M Contractors, LLC. Tracy Rudisill 405-408-0439 gmconttr@gmail.com	6/26/2020	Placing fiber cable, project included 88ft road bore crossing US-377 (ODOT managed roadway)
City of Pottsboro	Darren Vaden 903-821-5938 dvaden@cityofpottsboro.com	6/11/2020	Installed 12in steel casing under Spur 316 with new sewer line inside, tie in sewer manhole to sewer manhole, location #2
City of Pottsboro	Darren Vaden 903-821-5938 dvaden@cityofpottsboro.com	6/4/2020	Installed 12in steel casing under Spur 316 with new sewer line inside, tie in sewer manhole to sewer manhole, location #1
Lattimore Ranch	Jeff Heathley 903-815-0171 jeff@lpitx.com	6/1/2020	Placed 3,180 Lf. Water line
Private	Jacob Pearson 903-818-6677 jacob@weldcomfg.com	5/30/2020	Placed 1,820 Lf. Water line


New 12" Water Line On North Travis Street
Travis Street
U.S. 82
N
0
362.5
725
1,450
Feet


New 12" Water Line Crossing at Choctaw Creek
U.S. Hwy 75
Texas Instruments
Sherman
CLASSIC TOWN. BROAD HORIZON.

SHERMAN CITY COUNCIL
Agenda Communication Form

City Council Regular Meeting **E. 5.**

Meeting Date: 04/19/2021
Prepared By: Tom Pruitt, Utility Engineer
Approved By: Robby Hefton, City Manager

Caption:

RESOLUTION NO. 6731

Authorizing Execution of a Professional Services Agreement with Lockwood, Andrews & Newnam, Inc. for Engineering Services for the Water Treatment Plant Concentrate Line Phase II Environmental Clearance & Route Study

Issue:

To consider a contract for professional engineering services with Lockwood, Andrews & Newnam, Inc. for the Water Treatment Plant Concentrate Line Phase II Environmental Clearance & Route Study

Background:

Lockwood, Andrews & Newnam, Inc. (LAN) has previously identified three potential outfall locations for the Water Treatment Plant's (WTP) concentrate residual, see map. The three locations were discussed by City staff, LAN engineers and the TCEQ. A preliminary approval was accepted by the TCEQ for discharging the WTP concentrate. This assistance contract, will acquire environmental clearance to include U.S.Fish and Wildlife, Army Corp of Engineers, other state and local requirements, and submit administrative and technical portions required for the TCEQ discharge permit.

Origination:

Engineering Department

Financial Consideration:

The fee for engineering services will be $80,000.00. The project is funded through the 2019 GTUA Open Market.

Staff Recommendation:

It is recommended that the contract for professional engineering services with Lockwood, Andrews & Newnam, Inc. for the Water Treatment Plant Concentrate Line Phase II Environmental Clearance & Route Study be approved.

Alternatives:

As may be directed by the City Council

Attachments

Resolution No. 6731
Agreement - Signed
Location Map

RESOLUTION NO. 6731

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AUTHORIZING EXECUTION OF A PROFESSIONAL SERVICES AGREEMENT WITH LOCKWOOD, ANDREWS & NEWNAM, INC. FOR ENGINEERING SERVICES FOR THE WATER TREATMENT PLANT CONCENTRATE LINE PHASE II ENVIRONMENTAL CLEARANCE & ROUTE STUDY; 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 Lockwood, Andrews & Newnam , Inc. for engineering services for the Water Treatment Plant Concentrate Line Phase II Environmental Clearance & Route Study, 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: _____ **BY:** _____
LINDA ASHBY, CITY CLERK **DAVID PLYLER, MAYOR**

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

BY: _____
RYAN PITTMAN, 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 Lockwood, Andrews & Newnam, Inc. 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:

Water Treatment Plant Concentrate Line Phase II
Environmental Clearance & Route Study

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 May 31, 2022. 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 that 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 comprehensive 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, 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. Limits may be met in combination with an Excess policy.
D. Automobile Liability Insurance - $1,000,000 CSL
E. Professional Liability - $1,000,000 per occurrence; $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 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, 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. 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 error, or omission in the ENGINEER'S work, its employees, subcontractors, agents, and consultants. ENGINEER, shall without additional costs or fee, correct or revise any errors or omissions 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 **at its sole risk and without liability to ENGINEER for such reuse**, without restriction **upon full and final payment**. ENGINEER specifically waives and releases any proprietary rights or ownership claims herein**, excepting, however,** notwithstanding anything to the contrary herein, =all previously owned intellectual property of the ENGINEER, including but not limited to any computer software, tools, systems, equipment or other information used by ENGINEER or its lower tier consultants, if any, in delivering the services hereunder, and any know-how, methodologies, or processes used by Engineer to provide the services to the City, including without limitation, all copyrights, trademarks, patents, trade secrets, and any other proprietary rights inherent therein and appurtenant thereto shall remain the sole and exclusive property of the ENGINEER or its lower tier 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.
SEVERABILTY

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.
FORCE MAJEURE AND UNFORESEEABLE CONDITIONS

The City agrees that the ENGINEER shall not be responsible for and City hereby releases ENGINEER from any claim, damage, delay or loss resulting from: (i) fires, riots, labor disputes, war, terrorism, weather, acts of God, epidemics, or other force majeure; (ii) governmental action or failure to act (including, without limitation, plan reviews, permits, and/or approvals); (iii) unforeseen circumstances or conditions (including, without limitation, unforeseen site conditions); (iv) discovery of any hazardous substances or differing site conditions; and/or, (v) circumstances or events outside the reasonable control or responsibility of ENGINEER.

ARTICLE XX.
MUTUAL WAIVER OF CONSEQUENTIAL DAMAGES

In no event shall either Party be liable, whether in contract or tort or otherwise, to the other Party for loss of profits, delay damages, or for any special incidental or consequential loss or damage of any nature arising at any time or from any cause whatsoever.

ARTICLE XXI.
OPINIONS OF PROBABLE COST

Notwithstanding anything to the contrary, ENGINEER's opinions of probable total project costs, construction costs, and/or estimates of quantities, if any, provided as part of the services under the Agreement are made on the basis of ENGINEER's knowledge, experience and qualifications and represent ENGINEER's judgment as an experienced professional. ENGINEER does not guarantee that proposals, bids, actual total project costs, total construction costs or quantity estimates will not vary from the opinions provided by ENGINEER. Cost control and cost estimates shall be performed by others and responsibility for quantities remain solely the responsibility of the Construction Contractor.

ARTICLE XXII.
CONSTRUCTION MEANS, METHODS & SAFETY

ENGINEER is not responsible for supervising, directing, controlling, or otherwise being in charge of the construction activities, means, methods or health or safety programs at the project site or in connection with the work; or supervising, directing, controlling, or otherwise being in charge of the actual work of the Construction Contractor, its sub-contractors, or other materialmen or service providers not engaged by ENGINEER.

ARTICLE XXIII.
TEXAS TAX CODE 171.1011 (G)(3)

Unless the City expressly states otherwise prior to ENGINEER commencing performance under this Agreement, City hereby accepts the use of any subconsultant, subcontractor or agent of ENGINEER proposed to be used by ENGINEER; and

Any payment made by the City to ENGINEER that includes fees payable to subconsultant, subcontractor or agent of ENGINEER under this Agreement shall constitute an acceptance by City of ENGINEER"s use of any such subconsultant, subcontractor or agent of ENGINEER under this Agreement.

ARTICLE XXIV.
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 __.

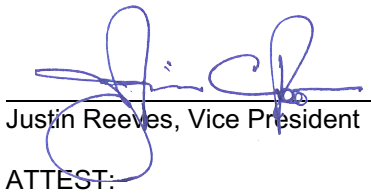
OWNER:
CITY OF SHERMAN, TEXAS

_____
Robby Hefton, City Manager

ATTEST:

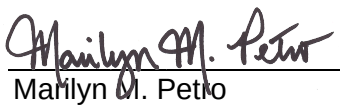
_____

ENGINEER:
Lockwood, Andrews & Newnam, Inc.



_____
Justin Reeves, Vice President

ATTEST:



_____
Marilyn M. Petro

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 TARRANT §

BEFORE ME, the undersigned authority, a Notary Public in and for said County and State, on this day personally appeared Justin C. Reeves of Lockwood, Andrews & Newnam, Inc. 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 Lockwood, Andrews & Newnam, Inc., 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 13th day of April, A.D. 20 21 .

Marilyn M. Petro

Notary Public In and For Tarrant County, Texas

My Commission Expires:

EXHIBIT A
SCOPE OF SERVICES, FEE, AND RATE SCHEDULE

PLANNING
ENGINEERING
PROGRAM MANAGEMENT

EXHIBIT A

TEXAS
AUSTIN
COLLEGE STATION
CORPUS CHRISTI
DALLAS
FORT WORTH
FRISCO
HOUSTON
LAREDO
MONTGOMERY COUNTY
SAN ANTONIO
SAN MARCOS
WACO

CALIFORNIA
LOS ANGELES
ORANGE
SAN JOSE

FLORIDA
MIAMI

ILLINOIS
CHICAGO

MICHIGAN
FLINT
LANSING

OKLAHOMA
NORMAN

April 13, 2021

Tom Pruitt, PE
City of Sherman
220 W. Mulberry Street
Sherman, Texas 75091

Subject: Concentrate Discharge TPDES Permit Application Proposal

Mr. Pruitt:

As a result of the feasibility study prepared by LAN, we understand that the City of Sherman (City) would like to permit a new discharge from the existing Sherman Water Treatment facility. The plant treats surface water from Lake Texoma and recently added treatment units utilizing reverse-osmosis and microfiltration. The proposed discharge would release reverse osmosis (RO) concentrate byproduct in the range of 4,700 mg TDS. Two surrounding streams have been identified as potential receiving waters of this discharge.

An on-the-ground evaluation of the streams will be required to determine the preferable location for the discharge. Identifying a discharge location is based on its classification as an intermittent stream of three (3) miles and the existing water chemistry of the stream segment. A new individual industrial permit from the Texas Commission on Environmental Quality (TCEQ) under the Texas Pollutant Discharge Elimination System (TPDES) will be needed for the discharge.

The following describes our approach to the project.

Project Management — Continuous

To start the project, LAN will conduct an internal kickoff meeting with the project team to establish a project work plan, project schedule, and quality control plan. LAN will provide a monthly status report and invoice.

Meetings: None

Deliverables: Monthly status report

Compensation: $5,000 (lump sum)

Environmental Testing and Investigation — 6 weeks

To support the City of Sherman and their water treatment plant planning, LAN and environmental subconsultant IES will assist with mapping natural water courses around the City's water treatment plant. IES will identify and map natural water courses in the proximity of the water treatment plant and identify where these water courses become classified as intermittent flow with perennial pools.

To accomplish this objective, IES will utilize multiple desktop resources to digitize the centerline of these water courses. The resources will include current and historic aerial photography, lidar, and U.S. Geological Survey (USGS) Topographic maps. IES preliminarily

Lockwood, Andrews & Newnam, Inc.

A LEO A DALY COMPANY

8350 North Central Expressway
Suite 1400
Dallas, TX 75206-1631
214.522.8778

lan-inc.com

identified eight potential receiving waters to delineate. Next, IES will perform limited site inspections from public right-of-way (ROW) to augment the flow classification of these waters. With this data, IES will classify the flow regime of these water bodies.

The water chemistry is another factor in this planning project. The existing water chemistry of these receiving waters needs to be understood so that the proposed project does not adversely affect the flora and fauna in these systems. During IES field inspection, water samples will be taken from the water bodies at public access points. These samples will be analyzed in a laboratory to determine the baseline levels of Total Dissolved Salts, Sulfides, and Chlorides.

Meetings: 1 review meeting, summarizing results of environmental study

Deliverables: Technical memorandum including methods and results of the analysis, map of water courses and designations, tabular summary of test results

Compensation: $12,500 (lump sum)

Coordination with Floodplain Administrator 2 weeks

Based on the results of the environmental analysis, LAN will coordinate with the floodplain administrator to determine requirements to construct a channel for discharge after the permit is granted. We recommend the channel design be included with the final detailed design necessary at the water plant.

Meetings: 1 meeting with floodplain administrator

Deliverables: Technical memorandum outlining final design requirements for outfall channel

Compensation: $2,500 (lump sum)

TPDES Permit Application 8 weeks

LAN will perform all tasks necessary to obtain a Industrial Wastewater Permit from TCEQ, which includes the following forms and documents with input from the Owner:

- Industrial Wastewater Permit Application
- Industrial Administrative Report
- Industrial Technical Report
- Core Data Form

Meetings: 1 interim review meeting, 1 pre-submittal review meeting

Deliverables: TCEQ Industrial Wastewater forms outlined above

Compensation: $30,000 (lump sum)

Permit Response 8 weeks

After writing the draft permit, the City can accept the discharge parameters as written or contest the effluent limits written in the draft permit. If necessary, LAN will prepare response and support documentation on an hourly basis as instructed by the City.

Before proceeding with any hourly task(s), LAN will provide an estimate of time required and wait for written authorization to proceed with hourly work.

If needed to support the response, LAN can perform water quality modeling:

1. Obtain and review the QUAL-TX model TCEQ used for their analysis.

2. Meet with TCEQ to discuss modeling approach, assumptions, limitations, and data used (including meeting preparation and meeting minutes).
3. Perform QUAL-TX modeling using the TCEQ model and the original outfall location with no more than three sets of effluent limits.
4. Process modeling results, conduct internal review, and a virtual meeting with the City to discuss modeling results and findings.
5. Meet with TCEQ to present modeling results and discuss a path forward (including meeting preparation and meeting minutes).
6. Prepare a technical memorandum to summarize the modeling results and findings.

Meetings: 1 meeting with floodplain administrator

Deliverables: Technical memorandum outlining final design requirements for outfall channel

Compensation: $30,000 (hourly)

The scope of this project is limited to the items listed above. The following are specifically excluded:

- Rights-of-entry
- Stream flow measurement or time-data logging
- Topographical or boundary surveys, title research
- Easement documents
- Geotechnical investigations
- Sludge handling amendment or application

Total Compensation:

Project Management	Lump Sum	$5,000
Environmental Testing and Investigation	Lump Sum	$12,500
Coordination with Floodplain Administrator	Lump Sum	$2,500
TPDES Permit Application	Lump Sum	$30,000
Permit Response	Hourly	up to $30,000
		GRAND TOTAL: $80,000

Schedule:

	2021									2022				
	A	M	Jn	Jl	A	S	O	N	D	J	F	M	A	M
Project Management														
Environmental														
Floodplain Coord.														
TPDES Permit Application														
TCEQ Review														
Permit Response														

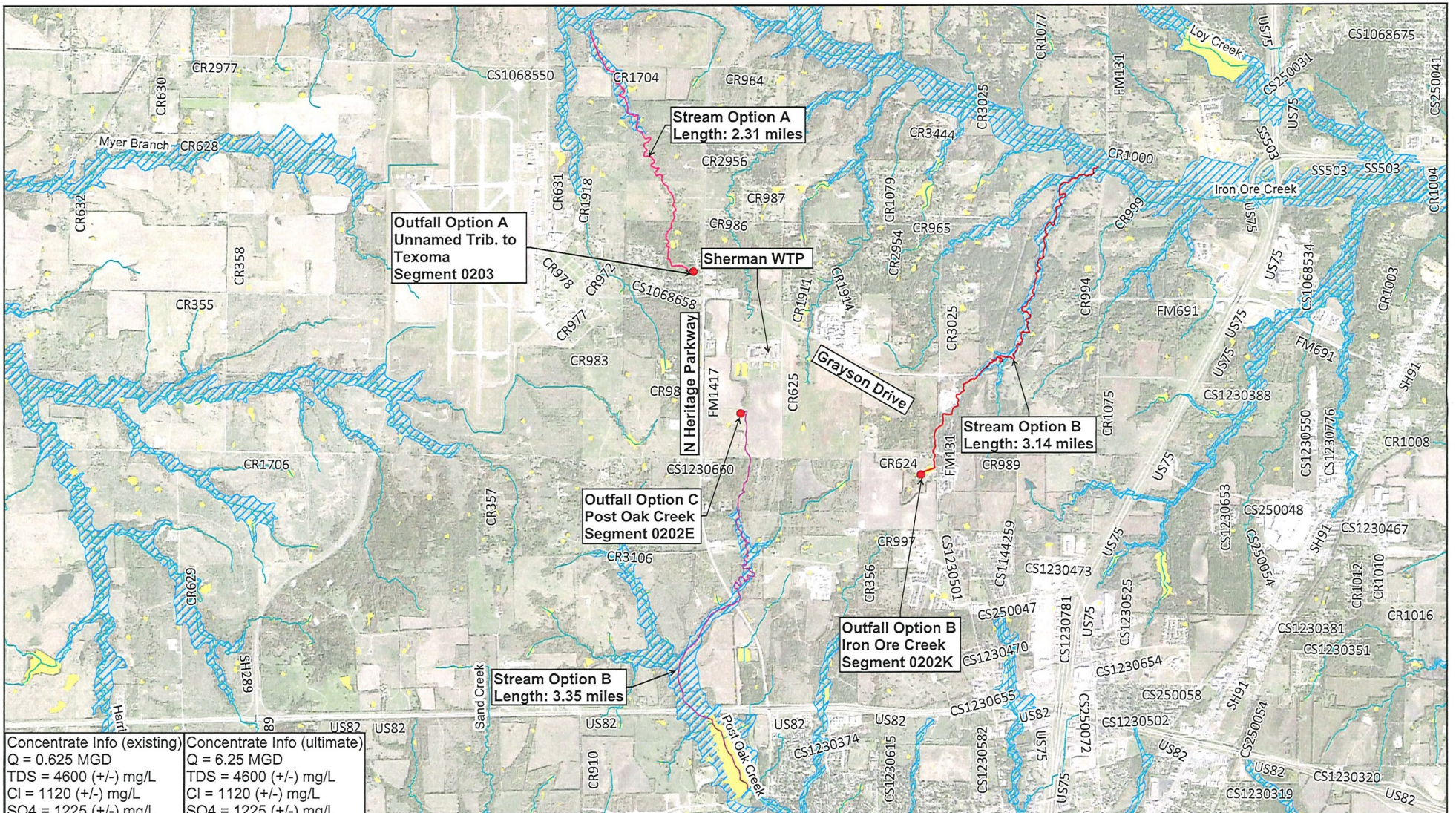
Sincerely,
LOCKWOOD, ANDREWS & NEWNAM, INC.

Mathew L. Busby, PE
Project Manager
MLBusby@LAN-inc.com

MAXIMUM HOURLY RATES

Classification	Hourly Rate
Principal / QAQC Manager	$290.00 /hr.
Project Manager	$205.00 /hr.
QC Reviewer	$175.00 /hr.
Senior Project Engineer	$150.00 /hr.
Project Engineer	$140.00 /hr.*
Graduate Engineer	$120.00 /hr.
GIS Analyst	$100.00 /hr.
CADD Designer	$110.00 /hr.
Administrative Assistant	$90.00 /hr.
Registered Professional Surveyor	$150.00 /hr.
Construction Field Representative	$95.00 /hr.

Reproduction work - Prevailing commercial rates; Mileage - current IRS rate per mile; Per diem - current IRS rate; Subcontractors, Consultants, etc. - Cost plus 10%; All other expenses - Cost plus 10%



Concentrate Info (existing)	Concentrate Info (ultimate)
Q = 0.625 MGD	Q = 6.25 MGD
TDS = 4600 (+/-) mg/L	TDS = 4600 (+/-) mg/L
Cl = 1120 (+/-) mg/L	Cl = 1120 (+/-) mg/L
SO4 = 1225 (+/-) mg/L	SO4 = 1225 (+/-) mg/L

N
W E
S

0 0.25 0.5 1 Miles

POTENTIAL OUTFALL LOCATIONS

BODIES OF WATER
POTENTIAL OUTFALL LOCATIONS
STREAM A
STREAM B
STREAM C
STREAMS

Lockwood, Andrews & Newnam, Inc.
A LEO A DALY COMPANY

SHERMAN CITY COUNCIL
Agenda Communication Form

City Council Regular Meeting **E. 6.**

Meeting Date: 04/19/2021
Prepared By: Tom Pruitt, Utility Engineer
Approved By: Robby Hefton, City Manager

Caption:

RESOLUTION NO. 6732

Authorizing Execution of a Professional Services Agreement with Freeman-Millican, Inc. for Engineering Services for the Wastewater Treatment Plant and Lift Stations Backup Power Study

Issue:

To consider a contract for professional services agreement with Freeman-Millican, Inc. for engineering services to design the Wastewater Treatment Plant and Lift Stations Backup Power Study

Background:

This project is for the design of:

- WWTP Emergency Backup Power
- Sewer Lift Station Emergency Power Supply
- WWTP Emergency Backup Power Switch Gear

The projects are to provide design authorization for emergency backup power for the wastewater system. It will not only build-in a redundant supply, but also provide added safety of existing systems. The scope of this item is for design purposes only, construction will come from later funding source.

Origination:

Engineering Department

Financial Consideration:

The total Engineering Services fee will be $112,000.00. Funding will come from the 2021 Capital Improvement Program Fund for fiscal year 2021, which may require a budget amendment to account for this project.

Staff Recommendation:

It is recommended that the contract for professional services agreement with Freeman-Millican, Inc. for Design of the Wastewater Treatment Plant and Lift Stations Backup Power Study

Alternatives:

As may be directed by the City Council

Attachments

Resolution No. 6732
Agreement
Location Map

RESOLUTION NO. 6732

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AUTHORIZING EXECUTION OF A PROFESSIONAL SERVICES AGREEMENT WITH FREEMAN MILLICAN, INC. FOR ENGINEERING SERVICES FOR THE WASTEWATER TREATMENT PLANT AND LIFT STATIONS BACKUP POWER STUDY; 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 Freeman-Millican, Inc. for engineering services for the Wastewater Treatment Plant and Lift Stations Backup Power Study, 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: _____
RYAN PITTMAN, CITY ATTORNEY

Professional Services/Consultant Agreement

ENGINEERING SERVICES AGREEMENT

This AGREEMENT or CONTRACT is made and entered into this day of _____, by and between the City of Sherman, Texas hereinafter also called the OWNER or City, and **Freeman-Millican, Inc**. 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 TREATMENT PLANT AND LIFT STATIONS BACKUP POWER STUDY

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 **August 15, 2021**. 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 that 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 comprehensive professional liability insurance coverage in an amount of at least $1,000,000.00 per claim with a $1,000,000.00 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, 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 occurrence; $1,000,000 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 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, 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. 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 without additional costs or fee, 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.

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.
SEVERABILTY

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

_____
Robby Hefton, City Manager

ATTEST:

_____

ENGINEER:
Freeman-Millican, Inc.

_____
Name of authorized signer

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 ELLIS §

BEFORE ME, the undersigned authority, a Notary Public in and for said County and State, on this day personally appeared RICHARD DORMIER of OVILLA 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 FREEMAN-MILLICAN, INC., 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 13 day of APRIL, A.D. 2021.

Notary Public In and For ELLIS County, Texas

My Commission Expires:
08·10·2022

G MILLER
Notary Public, State of Texas
Comm. Expires 08-10-2022
Notary ID 131677540

EXHIBIT A
SCOPE OF SERVICES, FEE, AND RATE SCHEDULE

The scope of the study would include:

We will do concept design on the following standby power alternatives for the wastewater treatment plant and Sherman sewer lift stations.

1. Determine the connected load, the normal process operation load, and the desired emergency operation load of the WWTP facility. Build preliminary model of the plant for load flow, generator modeling, and arc flash analysis.
2. Take field measurements to determine existing power quality and what harmonic mitigation and power factor improvements may be required.
3. Identify the 100 year flood plain boundary within the WWTP to determine acceptable locations for switchgear and generators.
4. Medium voltage primary power system with medium voltage generator and switchgear
5. Low voltage rental generators (at headworks and future main switchboard)
6. Single low voltage rental generator (at future main switchboard with a subfeed for headworks)
7. Low voltage permanent generators (at headworks and future main switchboard)
8. Single low voltage permanent generator (at future main switchboard with a feeder for headworks)
9. Standby power for 17 sewer lift stations.

We will begin by meeting with plant and engineering personnel to review the scope of services and collect needed information.

Activity		
Contact with Oncor regarding medium voltage standby power option		
Medium Voltage Standby Power Alternative(s):		
Medium Voltage Loop verses radial concept Design		
Medium Voltage Switchgear – Configuration, Features		
Medium Voltage Generator Selection and sizing		
Evaluation of Existing Utility Transformer Takeover		
Low Voltage Standby Power Rental Alternative:		
Rental Generator Headworks-determine min. required size		
Rental Generator Main Swbd-determine min. required size		
Rental Generator Connection to Existing Swbd (temporary)		
Single Rental generator at main switchboard- min. req. size		
Single Rental generator at main switchboard- config, features		
Feed to Headworks from future main switchboard concept design		
Evaluate Standby Power Rental Retainer Agreement with generator suppliers		
Low Voltage Standby Power (Permanent) Alternative:		
Permanent Generator Headworks-determine min. required size		
Permanent Generator Main Swbd-determine min. required size		
Single permanent gen. at main switchboard- min. req. size		
Single permanent gen. at main switchboard- config, features		
Low Voltage Main Power Evaluation		
Arcflash Reduction Preliminary Design on 480V secondary		

480V Main switchboard – Configuration, Features		
Standby power for existing Lift Station		
Site visit to all lift stations and recording of the power systems installed		
Concept design of modifications of the existing power at each station to connect to mobile genset		
Mobile genset sizing, features including trailer specification		

We will organize Microsoft Teams presentations by generator consulting support personnel to help City staff better understand low and medium voltage diesel generator applications for wastewater facilities. These presentations would include maintenance, generator exercising, power transfer and fuel management.

We will participate in up to 2 virtual progress meeting with plant and engineering personnel.

Additional detail of the scope of services is outlined below.

We will meet with city staff to review draft study report of alternatives.

Our goal would be to complete the study during the summer of this year, by August 15, 2021 so we have a preferred standby power alternative selected before the start on the next fiscal year.

FEE IS A LUMP SUM OF $112,000.00

Freeman-Millican, Inc.		
2020 Standard Billing Rates		
Employee Category	Rate	Billing Unit
Principal Engineer	$ 200.00	per hour
RPLS	180.00	per hour
Senior Engineer	175.00	per hour
Associate Engineer	160.00	per hour
Architect	150.00	per hour
Senior Project Engineer	145.00	per hour
Project Engineer	130.00	per hour
Engineer-in-Training (EIT)	105.00	per hour
CAD Technician	80.00	per hour
GPS Surveying	150.00	per hour
Surveying - Field Support	65.00	per hour
Mileage (IRS Allowable)	$0.56	per mile

1417
42"
11612
9883
42"
10545
10007
Treatment Plant LS
Treatment Plant
48"
10031
11613
8"
FM 1417
9918
6"
1417
11668
8"
42"
24"
6"
2"
WWTP
2"
6"
N
Post Oak Rd
0 100 200 400
Feet
GeoEye, Maxar, Microsoft, Esri
Wildlife, BuildingFootprintUSA, Esr
Sherman
CLASSIC TOWN. BROAD HORIZON.

SHERMAN CITY COUNCIL
Agenda Communication Form

City Council Regular Meeting **E. 7.**

Meeting Date: 04/19/2021

Prepared By: Tom Pruitt, Utility Engineer

Approved By: Robby Hefton, City Manager

Caption:

RESOLUTION NO. 6733

Authorizing Execution of a Professional Services Agreement with Freeman-Millican, Inc. for Sherman Laboratory Services Building Addition & Remodel

Issue:

To consider a contract for professional services with Freeman-Millican, Inc. for engineering services to design the Sherman Laboratory Services Building Addition & Remodel

Background:

This project is only for the design of the Sherman Laboratory Services Building Addition & Remodel. It will expand the facility and remodel interior lab areas to accommodate an upgrade to electrical service,(no circuits left available), ability to meet new state mandated testing requirements, new laboratory ventilation systems to increase staff safety, expanded pure water and vacuum systems, expanded lab and staff work areas, additional file and storage areas, and security changes to keep public out of work areas and staff areas.

Origination:

Engineering Department

Financial Consideration:

The basic Engineering Services fee will be $197,000.00. Funding is in the Contract Revenue Bonds Series 2021 Open Market through GTUA
and is budgeted in the fiscal year 2021 budget in the Utility Improvement Fund.

Staff Recommendation:

It is recommended that the contract for professional engineering services with Freeman-Millican,Inc. for the Sherman Laboratory Services Building Addition & Remodel be approved.

Alternatives:

As may be directed by the City Council

Attachments

Resolution No. 6733
Agreement
Location Map

RESOLUTION NO. 6733

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AUTHORIZING EXECUTION OF A PROFESSIONAL SERVICES AGREEMENT WITH FREEMAN-MILLICAN, INC. FOR ENGINEERING SERVICES FOR THE SHERMAN LABORATORY SERVICES BUILDING ADDITION & REMODEL; 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 Freeman-Millican, Inc. for engineering services for the Sherman Laboratory Services Building Addition & Remodel, 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: _____
RYAN PITTMAN, CITY ATTORNEY

Professional Services/Consultant Agreement

ENGINEERING SERVICES AGREEMENT

This AGREEMENT or CONTRACT is made and entered into this _____ day of _____ 2021, by and between the City of Sherman, Texas hereinafter also called the OWNER or City, and Freeman-Millican, Inc. 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 and architectural services in accordance with the terms and conditions of this AGREEMENT (1) with the professional skill and care ordinarily provided by competent engineers and architects 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 competent engineers and architects.

ENGINEER shall conduct professional engineering and architectural services generally described as follows:

Sherman Laboratory Services Building
Addition & Remodel

ARTICLE II.
SCOPE OF WORK

During the term of this AGREEMENT, ENGINEER shall perform at the request and requirements 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 extend to the 31st day of January 2023. 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 that 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 comprehensive professional liability insurance coverage in an amount of at least $1,000,000.00 per claim with a $1,000,000.00 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, 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 occurrence; $1,000,000 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 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, 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. 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 without additional costs or fee, 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 and architectural services as required in the performance of the services contracted for herein.

ARTICLE X.
OWNER'S RIGHTS AND OWNERSHIP OF 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. The City recognizes the documents have been prepared specifically for the subject project, and the ENGINEER is released from any liability associated with the City's use of the documents for any other project or purpose**.**

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.
SEVERABILTY

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 construction plans, specifications and details, reports, and engineering opinions, as would be required by the Texas Board of Professional Engineering Rules, 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_____, 2021.

OWNER: **CITY OF SHERMAN, TEXAS**	ENGINEER: **FREEMAN-MILLICAN, INC.**
Robby Hefton, City Manager	Richard Dormier, P.E., Vice President
ATTEST:	ATTEST:

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

BY: _____

NAME: _____
CITY ATTORNEY

EXHIBIT A
ENGINEERING SERVICES AGREEMENT

City of Sherman, Texas
Sherman Laboratory Services Building
Addition & Remodel
Scope of Professional Services

OWNER and ENGINEER, in consideration of their mutual covenants herein, agree in respect of the performance of professional engineering and architectural services by ENGINEER and the payment for those services by OWNER as set forth below.

ENGINEER shall provide professional engineering services for OWNER in all phases of the Project to which this Agreement applies, serve as OWNER'S professional engineering and architectural representative for the Project as set forth below, and shall give professional engineering and architectural consultation and advice to OWNER during the performance of services hereunder.

OWNER intends to construct, through Prime Contractor(s) the Sherman Laboratory Services Building Addition & Remodel, hereinafter called the “Project”.

SECTION 1 - BASIC SERVICES OF ENGINEER

1.1 GENERAL

1.1.1 ENGINEER shall perform professional services as hereinafter stated which include customary architectural services, and customary civil, structural, mechanical, and electrical engineering services.

1.2 PRELIMINARY DESIGN PHASE

After authorization to proceed with the Preliminary Design Phase, ENGINEER shall:

1.2.1 In consultation with OWNER, determine the extent of the Project.

1.2.2 Perform topographic survey of the site of the work.

1.2.3 Obtain geotechnical investigation and report of subsurface conditions at the site of proposed building foundation from geotechnical engineering subconsultant.

1.2.4 Review building code and other codes applicable to the project.

1.2.5 Perform preliminary electrical analysis and make recommendations to OWNER regarding options for providing an emergency backup power source for the existing and proposed buildings.

1.2.6 Perform preliminary architectural design and prepare preliminary design documents for the OWNER’S approval. The preliminary design documents shall consist of drawings and other documents including plans, sections, and elevations to fix and describe the size and character of the Project as to architectural, structural, and civil site work systems, and other appropriate elements.

1.2.7 Advise OWNER as to the necessity of OWNER'S providing, or obtaining from others, data or services of the types described in paragraph 3.3, and act as OWNER'S representative in connection with any such services.

1.2.8 Based on the information contained in the preliminary design documents, submit a preliminary opinion of probable construction cost.

1.2.9 Submit the preliminary design documents to the OWNER, present and review them in person with OWNER, and request OWNER’S approval.

1.3 CONSTRUCTION DOCUMENTS PHASE

After authorization to proceed with the Construction Documents Phase, ENGINEER shall:

1.3.1 Prepare construction documents for OWNER'S approval. The construction documents shall illustrate and describe the further development of the approved preliminary design documents and shall consist of drawings and specifications setting forth in detail the quality levels and performance criteria of materials, systems, and other requirements for the construction of the Work. The OWNER and ENGINEER acknowledge that, in order to perform the Work, the Contractor will provide additional information, including shop drawings, product data, samples and other similar submittals, which the ENGINEER shall review in accordance with the construction phase services.

1.3.2 Incorporate the design requirements of governmental authorities having jurisdiction over the project into the construction documents.

1.3.3 Assist the OWNER in the development and preparation of (1) bidding information that describes the time, place, and conditions of bidding, including bidding requirements and proposal forms; (2) the form of agreement between the OWNER and Contractor; and (3) the Conditions of the Contract for Construction (General, Supplementary and other Conditions). The ENGINEER shall also compile a project manual that includes the Conditions of the Contract for Construction and Specifications.

1.3.4 Prepare and furnish to OWNER such documents and design data as may be required for OWNER to apply for approvals of the following governmental authorities having jurisdiction over design criteria applicable to the Project, and assist in obtaining such approvals by participating in submissions to and negotiations with appropriate authorities:

1.3.4.1 Texas Department of Licensing and Regulation (TDLR) to confirm compliance with the Texas Accessibility Standards (TAS) as indicated in paragraphs 1.3.7 and 1.5.7.

1.3.5 Update the opinion of probable construction cost.

1.3.6 Submit the construction documents and updated opinion of probable construction cost to the OWNER, present and review them in person with OWNER, and request OWNER'S approval.

1.3.7 Obtain Architectural Barriers Project Registration from the TDLR and review of the construction documents for compliance with TAS from a Registered Accessibility Specialist (RAS) subconsultant. Revise the construction documents to correct any TAS noncompliant items reported by the RAS.

1.4 BIDDING PHASE

After the OWNER'S approval of the Construction Documents, and authorization to proceed with the Bidding Phase, ENGINEER shall:

1.4.1 Assist OWNER in obtaining bids for each separate prime contract for construction, materials, equipment, and services.

1.4.2 Consult with and advise OWNER as to the acceptability of subcontractors and other persons and organizations proposed by the prime contractor(s) (hereinafter called "Contractor(s)") for those portions of the work as to which such acceptability is required by the bidding documents.

1.4.3 Prepare a tabulation of bids and assist OWNER in evaluating bids and in assembling and awarding contracts.

1.5 CONSTRUCTION PHASE

During the Construction Phase ENGINEER shall:

1.5.1 Consult with and advise OWNER and act as his representative as provided in the General Conditions of the Construction Contract. All of OWNER'S instructions to Contractor(s) will be issued through ENGINEER who will have authority to act on behalf of OWNER to the extent provided in said General Conditions except as otherwise provided in writing.

1.5.2 Make visits to the site at intervals appropriate to the various stages of construction to observe as an experienced and qualified design professional the progress and quality of the executed work of Contractor(s) and to determine in general if such work is proceeding in accordance with the Contract Documents. ENGINEER shall not be required to make exhaustive or continuous on-site inspections to check the quality or quantity of such work. ENGINEER shall not be responsible for the means, methods, techniques, sequences or procedures of construction selected by Contractor(s) or the safety precautions and programs incident to the work of Contractor(s). ENGINEER'S efforts will be directed toward providing a greater degree of confidence for OWNER that the completed work of Contractor(s) will conform to the Contract Documents, but ENGINEER shall not be responsible for the failure of Contractor(s) to perform the work in accordance with the Contract Documents. During such visits and on the basis of on-site observations ENGINEER shall keep OWNER informed of the progress of the work and shall endeavor to guard OWNER against defects and deficiencies in such work and may disapprove or reject work failing to conform to the Contract Documents.

1.5.3 Review Shop Drawings and samples, the results of tests and inspections and other data which each Contractor is required to submit, but only for conformance with the design concept of the Project and general compliance with the information given in the Contract Documents (but such review and approval or other action shall not extend to means, methods, sequences, techniques or procedures of construction or to safety precautions and programs incident thereto); determine the acceptability of substitute materials and equipment proposed by Contractor(s): and receive and review (for general content as required by the Specifications) maintenance and operating instructions, schedules, guarantees, bonds and certificates of inspection which are to be assembled by Contractor(s) in accordance with the Contract Documents. ENGINEER will review Contractors' submittals up to an average of two reviews per submittal. ENGINEER will be compensated for additional reviews under Additional Services.

1.5.4 Issue all instructions of OWNER to Contractor(s); issue necessary interpretations and clarifications of the Contract Documents and in connection therewith prepare change orders as required; have authority, as OWNER'S representative, to require special inspection or testing of the work; act as initial interpreter of the requirements of the Contract Documents and judge of the acceptability of the work thereunder and make decisions on all claims of OWNER and Contractor(s) relating to the acceptability of the work or the interpretation of the requirements of the Contract Documents pertaining to the execution and progress of the work; but ENGINEER shall not be liable for the results of any such interpretations or decisions rendered by him in good faith.

1.5.5 Based on ENGINEER'S on-site observations as an experienced and qualified design professional and on review of applications for payment and the accompanying data and schedules, determine the amounts owing to Contractor(s) and recommend in writing payments to Contractor(s) in such amounts: such recommendations of payment will constitute a representation to OWNER, based on such observations and review, that the work has progressed to the point indicated, that, to the best of ENGINEER'S knowledge, information and belief, the quality of such work is in accordance with the Contract Documents (subject to an evaluation of such work as a functioning Project upon Substantial Completion, to the results of any subsequent tests called for in the Contract Documents, and to any qualifications stated in his recommendation), and that payment of the amount recommended is due Contractor(s); but by recommending any payment ENGINEER will not thereby be deemed to have represented that continuous or exhaustive examinations have been made by ENGINEER to check the quality or quantity of the work or to review the means, methods, sequences, techniques or procedures of

construction or safety precautions or programs incident thereto or that ENGINEER has made an examination to ascertain how or for what purposes any Contractor has used the moneys paid on account of the Contract Price, or that title to any of the work, materials or equipment has passed to OWNER free and clear of any lien, claims, security interests or encumbrances, or that Contractor(s) have completed their work exactly in accordance with the Contract Documents.

1.5.6 Conduct in company with OWNER, an inspection to determine if the Project is substantially complete and a final inspection for compliance with the Contract Documents and if each Contractor has fulfilled all of his obligations thereunder so that ENGINEER may recommend, in writing, final payment to each Contractor and may give written notice to OWNER and the Contractor(s) that the work is acceptable (subject to any conditions therein expressed), but any such recommendation and notice shall be subject to the limitations expressed in paragraph 1.5.5.

1.5.7 When the project is determined to be substantially complete, obtain inspection for compliance with TAS from a RAS subconsultant.

1.5.8 ENGINEER shall not be responsible for the acts or omissions of any Contractor, or subcontractor, or any of the Contractor(s)' or subcontractors' agents or employees or any other persons (except ENGINEER'S own employees and agents) at the site or otherwise performing any of the Contractor(s)' work; however, nothing contained in paragraphs 1.5.1 through 1.5.7, inclusive, shall be construed to release ENGINEER from liability for failure to properly perform duties undertaken by him in the Contract Documents.

1.5.9 Based on change orders executed during construction, and documentation provided by the OWNER and Contractor(s) of changes made during construction, revise the Construction Documents, and reissue them as Record Documents. Furnish two sets of the Record Documents to OWNER in Portable Document Format (pdf).

SECTION 2 - ADDITIONAL SERVICES OF ENGINEER

2.1 GENERAL

If authorized in writing by OWNER, ENGINEER shall furnish or obtain from others Additional Services of the following types which are not considered normal or customary Basic Services.

2.1.1 Preparation of applications and supporting documents for governmental grants, loans or advances in connection with the Project; preparation or review of environmental assessments and impact statements; review and evaluation of the effect on the design requirements of the Project of any such statements and documents prepared by others; and assistance in obtaining approvals of authorities having jurisdiction over the anticipated environmental impact of the Project.

2.1.2 Assisting the OWNER, including preparing such documents and design data, and participating in submissions to and negotiations with appropriate authorities, as may be required for OWNER to obtain approvals of governmental authorities not identified in Section 1.

2.1.3 Services to make measured drawings of or to investigate existing conditions or facilities, or to verify the accuracy of drawings or other information furnished by OWNER.

2.1.4 Services resulting from significant changes in extent of the Project or its design including, but not limited to, changes in size, complexity, OWNER'S schedule, or character of construction or method of financing; and revising previously accepted studies, reports, design documents or Contract Documents when such revisions are due to causes beyond ENGINEER'S control.

2.1.5 Providing renderings or models for OWNER'S use.

2.1.6 Furnishing the services of special consultants for other than customary architectural services, and other than customary civil, structural, mechanical, and electrical engineering services, such as consultants for interior design, furniture, furnishings, communications, acoustics, and kitchens;

and providing data or services of the types described in paragraph 3.3 when OWNER authorizes ENGINEER to provide such data or services in lieu of furnishing the same in accordance with paragraph 3.3.

2.1.7 Services resulting from the arranging for performance by persons other than the principal prime contractors of services for the OWNER and administering OWNER'S contracts for such services.

2.1.8 Providing staking to enable Contractor(s) to proceed with their work and providing other special field surveys.

2.1.9 Services during out-of-town travel required of ENGINEER other than visits to the site and OWNER'S office as required by Section 1 and authorized by OWNER.

2.1.10 Additional or extended services during construction made necessary by (1) work damaged by fire or other cause during construction, (2) a significant amount of defective or neglected work of Contractor(s), (3) prolongation of the contract time of any prime contract by more than sixty days, (4) acceleration of the progress schedule involving services beyond normal working hours, and (5) default by Contractor(s).

2.1.11 Preparation of operating and maintenance manuals; protracted or extensive assistance in the utilization of any equipment or system (such as initial startup, testing, adjusting and balancing); and training personnel for operation and maintenance.

2.1.12 Services after completion of the Construction Phase, such as inspections during any guarantee period and reporting observed discrepancies under guarantees called for in any contract for the Project.

2.1.13 Preparing to serve or serving as a consultant or witness for OWNER in any litigation, public hearing or other legal or administrative proceeding involving the Project (except as agreed to under Basic Services).

2.1.14 Additional services in connection with the Project, including services normally furnished by OWNER and services not otherwise provided for in this Agreement.

2.1.15 Preparation of property descriptions.

2.1.16 Additional copies of reports (over agreed number) and additional sets of Contract Documents (over agreed number).

2.1.17 Services of a resident Project representative, and other field personnel as required, for on-the-site observation of construction.

2.1.18 Any other special or miscellaneous assignments specifically authorized by OWNER.

2.1.19 Reviews of Contractors' submittals exceeding the limit specified in paragraph 1.5.3.

2.1.20 Design and preparation of construction documents for extension of water or sanitary sewer lines from beyond the site of the proposed construction work to said site.

2.1.21 Design and preparation of construction documents for installation of fire hydrants or water lines supporting them.

2.1.22 Design and preparation of construction documents for storm water detention facilities.

SECTION 3 - OWNER'S RESPONSIBILITIES

The OWNER shall:

3.1 Provide all criteria and full information as to OWNER'S requirements for the Project, including design objectives and constraints, space, capacity and performance requirements, flexibility and

expandability, and any budgetary limitations; and furnish copies of all design and construction standards which OWNER will require to be included in the Drawings and Specifications.

3.2 Assist ENGINEER by placing at his disposal all available information pertinent to the Project including previous reports and any other data relative to design or construction of the Project.

3.3 Furnish to ENGINEER, as required for performance of ENGINEER'S Basic Services, data prepared by or services of others, including without limitation core borings, probings and subsurface explorations, hydrographic surveys, laboratory tests and inspections of samples, materials and equipment; appropriate professional interpretations of all of the foregoing; environmental assessment and impact statements; property, boundary, easement, right-of-way, topographic and utility surveys; property descriptions; zoning, deed and other land use restrictions; and other special data or consultations not covered in Section 2; all of which ENGINEER may rely upon in performing his services.

3.4 Provide field control surveys and establish reference points and base lines to enable Contractor(s) to proceed with the layout of the work.

3.5 Arrange for access to and make all provisions for ENGINEER to enter upon public and private property as required for ENGINEER to perform his services.

3.6 Examine all studies, reports, sketches, Drawings, Specifications, proposals and other documents presented by ENGINEER, obtain advice of an attorney, insurance counselor and other consultants as OWNER deems appropriate for such examination and render in writing decisions pertaining thereto within a reasonable time so as not to delay the services of ENGINEER.

3.7 Furnish approvals and permits from all governmental authorities having jurisdiction over the Project and such approvals and consents from others as may be necessary for completion of the Project.

3.8 Provide such accounting, independent cost estimating and insurance counseling services as may be required for the Project, such legal services as OWNER may require or ENGINEER may reasonably request with regard to legal issues pertaining to the Project including any that may be raised by Contractor(s), such auditing service as OWNER may require to ascertain how or for what purpose any Contractor has used the moneys paid to him under the construction contract and such inspection services as OWNER may require to ascertain that Contractor(s) are complying with any law, rule or regulation applicable to their performance of the work.

3.9 Designate in writing a person to act as OWNER'S representative with respect to the services to be rendered under this Agreement. Such person shall have complete authority to transmit instructions, receive information, interpret and define OWNER'S policies and decisions with respect to materials, equipment, elements and systems pertinent to ENGINEER'S services.

3.10 Give prompt written notice to ENGINEER whenever OWNER observes or otherwise becomes aware of any development that affects the scope or timing of ENGINEER'S services, or any defect in the work of Contractor(s).

3.11 Furnish, or direct ENGINEER to provide, necessary Additional Services as stipulated in Section 2 of this Agreement or other services as required.

3.12 Bear all costs incident to compliance with the requirements of this Section 3.

SECTION 4 - PERIOD OF SERVICE

4.1 The provisions of this Section 4 and the various rates of compensation for ENGINEER'S services provided for elsewhere in this Agreement have been agreed to in anticipation of the orderly and continuous progress of the Project through completion of the Construction Phase. ENGINEER'S obligation to render services hereunder will extend for a period which may reasonably be required for the design, award of contracts and construction of the Project including extra work and required extensions thereto.

4.2 After acceptance by OWNER of the ENGINEER'S Drawings, Specifications and other Construction Documents Phase documentation including the most recent opinion of probable Construction Cost and upon written authorization to proceed, ENGINEER shall proceed with performance of the services called for in the Bidding Phase. This Phase shall terminate and the services to be rendered thereunder shall be considered complete upon commencement of the Construction Phase or upon cessation of the negotiations with prospective Contractor(s) (except as may be otherwise required to complete the services called for in paragraph 6.1.1.5).

4.3 The Construction Phase will commence with the execution of the first prime contract to be executed for the work of the Project or any part thereof, and will terminate upon written approval by ENGINEER of final payment on the last prime contract to be completed. Construction Phase services may be rendered at different times in respect of separate prime contracts if the Project involves more than one prime contract.

4.4 If OWNER has requested significant modifications or changes in the extent of the Project, the time of performance of ENGINEER'S services and his various rates of compensation shall be adjusted appropriately.

4.5 If OWNER fails to give prompt written authorization to proceed with any phase of services after completion of the immediately preceding phase, or if the Construction Phase has not commenced within 90 calendar days (plus such additional time as may be required to complete the services called for under paragraph 6.1.1.5) after completion of the Construction Documents Phase, ENGINEER may, after giving seven days' written notice to OWNER, suspend services under this Agreement.

4.6 If ENGINEER'S services for design or during construction of the Project are delayed or suspended in whole or in part by OWNER for more than three months for reasons beyond ENGINEER'S control, ENGINEER shall on written demand to OWNER (but without termination of this Agreement) be paid as provided in paragraph 5.3.2. If such delay or suspension extends for more than one year for reasons beyond ENGINEER'S control, or if ENGINEER for any reason is required to render services more than one year after Substantial Completion, the various rates of compensation provided for elsewhere in this Agreement shall be subject to renegotiation.

4.7 In the event that the work designed or specified by ENGINEER is to be performed under more than one prime contract, OWNER and ENGINEER shall, prior to commencement of the Construction Documents Phase, develop a schedule for performance of ENGINEER'S services during the Construction Documents, Bidding and Construction Phases in order to sequence and coordinate properly such services as applicable to the work under such separate contracts.

SECTION 5 - PAYMENTS TO ENGINEER

5.1 METHODS OF PAYMENT FOR SERVICES AND EXPENSES OF ENGINEER

5.1.1 For Basic Services

OWNER shall pay ENGINEER for Basic Services rendered under Section 1 and as further identified in Exhibit B as the Preliminary Design Phase, Construction Documents Phase, Bidding Phase and Construction Phase a stipulated sum in the amount of $197,000.00.

5.1.2 For Additional Services

OWNER shall pay ENGINEER for Additional Services rendered under Section 2 as follows:

5.1.2.1 General

For Additional Services rendered under paragraphs 2.1.1 through 2.1.22, inclusive (except services covered by paragraph 2.1.6 and services as a consultant or witness under paragraph 2.1.13), payment will be at the hourly rates in Exhibit C.

5.1.2.2 Special Consultants

For services and reimbursable expenses of special consultants employed by ENGINEER pursuant to paragraph 2.1.6 or 2.1.18, the amount billed to ENGINEER therefor times a factor of 1.10.

5.1.2.3 Serving as a Witness

For the services rendered by principals and employees as consultants or witnesses in any litigation, hearing or proceeding in accordance with paragraph 2.1.13, at the rate of $ 2,500 per day or any portion thereof (but compensation for time spent in preparing to appear in any such litigation, hearing or proceeding will be on the basis provided in paragraph 5.1.2.1).

5.1.3 As used in this paragraph 5.1 the term “Reimbursable Expenses” will have the meaning assigned to it in paragraph 5.4.

5.2 TIMES OF PAYMENTS

5.2.1 ENGINEER shall submit monthly statements for Basic and Additional Services rendered and for Reimbursable Expenses incurred. The statements will be based upon ENGINEER’S estimate of the proportion of the total services actually completed at the time of billing. OWNER shall make prompt monthly payments in response to ENGINEER’S monthly statements.

5.2.2 Upon conclusion of each phase of Basic Services, OWNER shall pay such additional amount, if any, as may be necessary to bring total compensation paid on account of such phase to the following percentages of total compensation payable for all phases of Basic Services:

Phase	Percent of Basic Services
Preliminary Design	18%
Construction Documents	63%
Bidding or Negotiating	5%
Construction	14%
TOTAL	100%

5.3 OTHER PROVISIONS CONCERNING PAYMENTS

5.3.1 Changes in Project Scope

In the event the OWNER changes the scope of the project after the commencement of the Construction Documents Phase and such changes render the work unusable that has been performed to the date of the change in project scope, ENGINEER will be paid for services rendered during that phase to the date of notice of the change in project scope at the hourly rates in Exhibit C for services rendered by principals and employees assigned to the Project during that phase to date of notice of the change in project scope. In the event of any such change in scope, ENGINEER will be paid for all unpaid Additional Services and unpaid Reimbursable Expenses.

In the event the OWNER changes the scope of the project after the commencement of the Construction Documents Phase and such changes require the Engineer to modify, redesign or otherwise change work that has been completed or partially completed at the date of the change in scope, ENGINEER will be paid for services required to modify, redesign or otherwise change completed work to meet the requirements of the revised scope of services at the hourly rates in Exhibit C for principals and employees assigned to the Project. In the event of any such change in scope, ENGINEER will be paid for all Additional Services and Reimbursable Expenses required to make the above stated changes. Before making changes to the work under this

provision, the ENGINEER shall submit an estimate of the cost of making the changes under this paragraph. The ENGINEER shall not begin making changes to the engineering work until authorized by the OWNER.

5.3.2 If OWNER fails to make any payment due ENGINEER for services and expenses within sixty days after receipt of ENGINEER'S bill therefor, the amounts due ENGINEER shall include a charge at the rate of 1% per month from said sixtieth day, and in addition, ENGINEER may, after giving seven days' written notice to OWNER, suspend services under this Agreement until he has been paid in full all amounts due him for services and expenses.

5.3.3 In the event of termination by OWNER, upon the completion of any phase of the Basic Services, progress payments due ENGINEER for services rendered through such phase shall constitute total payment for such services. In the event of such termination by OWNER during any phase of the Basic Services, ENGINEER will be paid for services rendered during that phase at the hourly rates in Exhibit C for services rendered during that phase to date of termination by principals and employees assigned to the Project. In the event of any such termination, ENGINEER will be paid for all unpaid Additional Services and unpaid Reimbursable Expenses, plus all termination expenses. Termination expenses mean Reimbursable Expenses directly attributable to termination, which shall include an amount computed as a percentage of total compensation for Basic Services earned by ENGINEER to the date of termination, as follows:

20% if termination occurs after commencement of the Preliminary Design Phase but prior to commencement of the Construction Documents Phase; or

10% if termination occurs after commencement of the Construction Documents Phase.

5.4 DEFINITIONS

5.4.1 Reimbursable Expenses mean the actual expenses incurred directly or indirectly in connection with the Project for: transportation and subsistence incidental thereto; obtaining bids or proposals from Contractor(s); furnishing and maintaining field office facilities; subsistence and transportation of Resident Project Representatives and their assistants; toll telephone calls and telegrams; reproduction of reports, Drawings, Specifications, and similar Project related items in addition to those required under Section 1; and, if authorized in advance by OWNER, overtime work requiring higher than regular rates.

SECTION 6 - OPINIONS OF COST

6.1 OPINIONS OF COST

6.1.1 Since ENGINEER has no control over the cost of labor, materials, equipment or services furnished by others, or over the Contractor(s)' methods of determining prices, or over competitive bidding or market conditions, his opinions of probable Project Cost and Construction Cost provided for herein are to be made on the basis of his experience and qualifications and represent his best judgment as an experienced and qualified design professional, familiar with the construction industry; but ENGINEER cannot and does not guarantee that proposals, bids or actual Project or Construction Cost will not vary from opinions of probable cost prepared by him. If prior to the Bidding Phase OWNER wishes greater assurance as to Project or Construction Cost he shall employ an independent cost estimator as provided in paragraph 3.8. If a Construction Cost limit is established by written agreement between OWNER and ENGINEER, the following will apply:

6.1.1.1 The acceptance by OWNER at any time during the Basic Services of a revised opinion of probable Project or Construction Cost in excess of the then established cost limit will constitute a corresponding revision in the Construction Cost limit to the extent indicated in such revised opinion.

6.1.1.2 Any Construction Cost limit so established will include a contingency of ten percent unless another amount is agreed upon in writing.

6.1.1.3 ENGINEER will be permitted to determine what materials, equipment, component systems and types of construction are to be included in the Drawings and Specifications and to make reasonable adjustments in the extent of the Project to bring it within the cost limit.

6.1.1.4 If the Bidding Phase has not commenced within six months after completion of the Construction Documents Phase, the established Construction Cost limit will not be binding on ENGINEER, and OWNER shall consent to an adjustment in such cost limit commensurate with any applicable change in the general level of prices in the construction industry between the date of completion of the Construction Documents Phase and the date on which proposals or bids are sought.

6.1.1.5 If the lowest bona fide proposal or bid exceeds the established Construction Cost limit, OWNER shall (1) give written approval to increase such cost limit, (2) authorize negotiating or rebidding the Project within a reasonable time, or (3) cooperate in revising the Project's extent or quality. In the case of (3), ENGINEER shall, without additional charge, modify the Contract Documents as necessary to bring the Construction Cost within the cost limit. The providing of such service will be the limit of ENGINEER'S responsibility in this regard and, having done so, ENGINEER shall be entitled to payment for his services in accordance with this Agreement.

SECTION 7 - GENERAL CONSIDERATIONS

7.1 REUSE OF DOCUMENTS

All documents including Drawings and Specifications prepared by ENGINEER pursuant to this Agreement are instruments of service in respect to the Project. They are not intended or represented to be suitable for reuse by OWNER or others on extensions of the Project or on any other project. Any reuse without written verification or adaptation by ENGINEER for the specific purpose intended will be at OWNER'S sole risk and without liability or legal exposure to ENGINEER; and OWNER shall indemnify and hold harmless ENGINEER from all claims, damages, losses and expenses including attorneys' fees arising out of or resulting therefrom. Any such verification or adaptation will entitle ENGINEER to further compensation at rates to be agreed upon by OWNER and ENGINEER.

SECTION 8 - SPECIAL PROVISIONS, EXHIBITS AND SCHEDULES

8.1 The following Exhibits are attached to and made a part of this Exhibit A:

8.1.1 Exhibit B, Scope of Services

8.1.2 Exhibit C, Freeman-Millican, Inc. Standard Billing Rates

EXHIBIT B
SCOPE OF SERVICES

Scope of Basic Service Provided by Freeman-Millican, Inc.

The ENGINEER, Freeman-Millican, Inc. will provide customary architectural services, and customary civil, structural, mechanical, and electrical engineering services as follows:

Preliminary Design Phase

1. Meet with Owner to determine Owner's building program for the project.
2. Conduct topographic survey, and prepare site plan of existing topographic conditions of the site of the work.
3. Obtain geotechnical investigation and report of subsurface conditions at the site of proposed building foundation from geotechnical engineering subconsultant.
4. Review building code and other codes applicable to the project.
5. Perform preliminary architectural design and prepare preliminary design documents for the Owner's approval. The preliminary design documents will consist approximately of the following:

ESTIMATED PRELIMINARY DESIGN DOCUMENTS
Preliminary Site Plan
Preliminary Floor Plan
Preliminary Exterior Elevations
Preliminary Building Sections
Preliminary Interior Elevations

6. Perform preliminary electrical analysis and make recommendations to Owner regarding options for providing an emergency backup power source for the existing and proposed buildings.
7. Provide preliminary opinion of probable construction cost.
8. Meet with Owner to review preliminary design documents and opinion of construction cost, develop consensus on any required revisions, and request Owner's authorization to proceed with construction documents phase.

Construction Documents Phase

9. Revise preliminary design documents, conduct final detailed design, and provide construction documents for Owner's approval. The construction documents will consist approximately of the following:

ESTIMATED CONSTRUCTION DOCUMENTS
Project Cover Sheet
Project General Notes & Legend
Project Manual Front End Bidding & Contract Documents
Site Plan / Dimension Control Plan
Paving Plan & Details
Grading Plan

ESTIMATED CONSTRUCTION DOCUMENTS
Drainage Plan and Details
Utilities Plan & Details
Erosion Control Plan & Details
Landscape Plan & Details
Irrigation Plan & Details
Fence & Cantilever Gate Details
Civil Specifications
General Floor Plan
Demolition Floor Plan
Addition Floor Plan
Remodel Floor Plan
Enlarged Floor Plans
Exterior Elevations
Building Sections
Parking Canopy Plan, Sections, Details
Wall Sections & Wall Types
Architectural Details
Finish, Door, & Window Schedules
Door & Window Details
Interior Elevations & Casework
Casework Schedule & Details
Reflected Ceiling Plan
Floor Finishes Plan
Roof Plan & Details
Architectural Specifications
Structural General Notes
Foundation Plan & Details
Roof Framing Plan & Details
Parking Canopy Framing Plan & Details
Structural Specifications
Electrical Site Plan / Site Lighting Plan
Lighting Plan
Power Plan w Data & Telecom Locations
Panelboard Schedules
Electrical Diagrams & Details
Generator or 2nd Power Source Plan & Details
Electrical Specifications
Mechanical Floor Plan
Mechanical Schedules & Details
Mechanical Specifications
Plumbing Floor Plan
Plumbing Schedules
Plumbing Diagrams & Details
Plumbing Specifications

10. Update the opinion of probable construction cost.

11. Meet with Owner to review construction documents and opinion of construction cost, develop consensus on any required revisions, and request Owner's authorization to proceed with bidding phase.
12. Obtain project registration and plan review for compliance with Texas Accessibility Standards (TAS) from a Registered Accessibility Specialist (RAS) subconsultant.
13. Revise construction documents per agreed revisions and TAS review.

Bidding Phase

14. Provide request for proposals to Owner for advertisement.
15. Provide bid documents to Owner, Civcast, and other plan rooms for distribution to bidders.
16. Respond to bidder's inquiries; prepare and issue addenda as needed.
17. Conduct bid opening.
18. Review and tabulate bids.
19. Check low bidder qualifications and recommend award of construction contract to lowest qualified bidder.
20. Acquire and review Contractor's insurance certificates.
21. Prepare construction contracts, and coordinate execution.

Construction Phase

22. Assemble and distribute construction documents.
23. Conduct preconstruction meeting.
24. Review Contractor's submittals of shop drawings, product data, and samples, up to an average of two reviews per submittal.
25. Provide monthly on-site construction observations and observation reports.
26. Review and certify Contractor's monthly pay applications.
27. Provide responses to Contractor's requests for information.
28. Prepare change orders and construction change directives for Owner approval.
29. Provide on-site construction observation and observation reports at key construction events. Where possible, these observations will be coincide with monthly site visits:
    a. Pre concrete pour: building foundation and pavement.
    b. Framing and sheathing.
    c. Masonry installed to four feet above finish floor elevation.
    d. Roofing.
    e. Mechanical, electrical, plumbing.
30. Upon receiving Contractor's notice of substantial completion and list of remaining work, conduct on-site substantial completion inspection.
31. Review operations and maintenance manuals submitted by Contractor, up to two reviews.
32. Review closeout documents submitted by Contractor.

33. Provide final punch list of items to be completed or corrected by Contractor.
34. Upon receiving Contractor's notice of final completion, conduct on-site final completion inspection.
35. Revise construction documents per change orders, construction change directives, and Contractor's documentation of changes made during construction.
36. Reissue revised construction documents as record documents. Provide paper and PDF record document sets to Owner.
37. Attend end of general warranty inspection with Owner and Contractor. Provide punch list of items requiring warranty service.

EXHIBIT C

Freeman-Millican, Inc.		
2020 Standard Billing Rates		
Employee Category	Rate	Billing Unit
Principal Engineer	$ 200.00	per hour
RPLS	180.00	per hour
Senior Engineer	175.00	per hour
Associate Engineer	160.00	per hour
Architect	150.00	per hour
Senior Project Engineer	145.00	per hour
Project Engineer	130.00	per hour
Engineer-in-Training (EIT)	105.00	per hour
CAD Technician	80.00	per hour
GPS Surveying	150.00	per hour
Surveying - Field Support	65.00	per hour
Mileage (IRS Allowable)	$0.545	per mile

Sherman

CLASSIC TOWN. BROAD HORIZON.

SHERMAN CITY COUNCIL
Agenda Communication Form

City Council Regular Meeting **E. 8.**

Meeting Date: 04/19/2021

Prepared By: Teri Fine, Assistant to the City Manager

Approved By: Robby Hefton, City Manager

Caption:

**** RESOLUTION NO. 6734***

Declaring the City of Sherman's Eligibility and Intention to Participate in a Residential Tax Abatement Program to Promote Development/Redevelopment in Certain Areas of the City; Establishing Guidelines and Criteria

Issue:

Renewing the City's Residential Tax Abatement Program for two (2) years

Background:

At the April 15, 2019 meeting, the City Council renewed the Residential Tax Abatement Program for two (2) more years, pursuant to the provisions of Chapter 312, Section 312.002, Tax Code, Vernon's Texas Codes Annotated. At the April 18, 2016 meeting, the City Council adopted Ordinance No. 5948 to renew the designation of Residential Tax Abatement Zone Number Ten (#10) established for the purpose of residential tax abatement. At that time, the map was revised to reflect changes made by the U.S. Department of Housing and Urban Development (HUD) to the low-to-moderate income locations in Sherman. Some previously designated locations, generally located east of Highway 75, have been removed from that target area. While there is no official determination from HUD, we believe it is due to community efforts to revitalize, provide tax abatements, and encourage reinvestment - or gentrification - that has removed those low-to-moderate areas out of that status. The City's efforts for redevelopment are having a positive effect in those areas.

Another change made by HUD is that there are now some low-to-moderate income areas west of U.S. Highway 75. Because of this, a $100,000 cap was added to Ordinance No. 5948. To be eligible for residential tax abatement, the value of improvements must be less than $100,000.

Building within the target area uses existing streets, water mains and sewer mains, rather than extending them on the outskirts of the city. It also tends to minimize the area that must be covered by police officers, street maintenance crews, and other City employees.

The City Council granted five (5) residential tax abatements in 2019, eleven (11) residential tax abatements in 2020, and two residential tax abatements year-to-date in 2021 with (2) applications in process.

Origination:

City Manager's Office

Financial Consideration:

There is no direct cost to approving this resolution. Costs would vary as residential tax abatements are actually granted. In 2019, 2020 and 2021 to date combined, abatements have been granted on new construction with an estimated value of $1,617,352 for a total of approximately $7,021.99 in abated taxes. This was partially offset by $1,500.00 in application fees.

Staff Recommendation:

The staff recommends approval of this resolution to renew the City's Residential Tax Abatement Program for two (2) years.

Alternatives:

The City Council could revise the terms of the abatements that are granted or could discontinue the program completely.

Attachments

Resolution No. 6734

Map of Residential Tax Abatement Zone

RESOLUTION NO. 6734

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, DECLARING THE CITY OF SHERMAN'S ELIGIBILITY AND INTENTION TO PARTICIPATE IN A RESIDENTIAL TAX ABATEMENT PROGRAM TO PROMOTE DEVELOPMENT/REDEVELOPMENT IN CERTAIN AREAS OF THE CITY; ESTABLISHING GUIDELINES AND CRITERIA; FINDING AND DETERMINING THAT THE MEETING AT WHICH THIS RESOLUTION IS PASSED IS OPEN TO THE PUBLIC AS REQUIRED BY LAW.

WHEREAS, the City Council of the City of Sherman, Texas, desires to promote the development/redevelopment of certain contiguous geographic areas within its jurisdiction; and

WHEREAS, the City of Sherman, Texas, is authorized to enter into Tax Abatement Agreements for commercial-industrial or residential purposes as authorized by Chapter 312 of the Texas Property Tax Code (Code); and

WHEREAS, Section 312.002 of the Code requires the City of Sherman, Texas, to establish guidelines and create criteria every two (2) years for the designation of reinvestment zones and the entering into Residential Tax Abatement Agreements; and

WHEREAS, Resolution No. 6210 was approved by the City Council at the April 15, 2019 meeting, renewing the City's program for an additional two (2) years;

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

SECTION 1. That the City of Sherman, Texas, declares it is eligible for and intends to participate in a Residential Tax Abatement Program.

SECTION 2. That the City of Sherman, Texas, hereby adopts the following Guidelines and Criteria for Tax Abatement for use in its Residential Tax Abatement Program:

CITY OF SHERMAN
RESIDENTIAL TAX ABATEMENT GUIDELINES AND CRITERIA

GENERAL PURPOSE AND OBJECTIVES

The City of Sherman is committed to an expansion of its tax base, an increase to its population, the promotion of development in all parts of the City, and to an ongoing improvement in the quality of life for its citizens. As these objectives are generally served by the enhancement and expansion of the local economy, the City of Sherman will offer residential tax abatement as a stimulus for economic development in Sherman. The policy of the City of Sherman is to make residential tax abatement available to new structures. Likewise, residential tax abatement is intended for residential structures built upon vacant lots within existing subdivisions as well as

within new subdivisions of the City. It is the policy of the City of Sherman that such tax abatement will be provided in accordance with the procedures and criteria outlined in this document and as permitted by State statute. The guidelines and criteria herein adopted shall expire two (2) years from and after April 19, 2021. The provisions herein are severable, and if any provision or requirement of these guidelines or criteria is declared or found to be illegal or invalid, such illegality or invalidity shall not affect the remaining provisions, since the City Council would have adopted these guidelines and criteria without the incorporation of the portions found to be invalid.

DEFINITION OF TERMS

Act — means the Property Redevelopment and Tax Abatement Act, Texas Tax Code Ann. 312.001, et seq., as amended from time to time.

Agreement — means a contractual agreement between a property owner and the City of Sherman for the purposes of tax abatement.

Applicant — means an owner of real property who requests tax abatement in accordance with these guidelines.

Base Year Value — means the assessed value of eligible property on January 1 preceding the date of execution of the agreement.

Economic Life — means the number of years a property improvement is expected to be in service.

New Structure — means residential improvements made to a property previously undeveloped which is placed into use by means other than or in conjunction with expansion.

Reinvestment Zone — means a contiguous geographic area in the jurisdiction of the municipality in which tax abatements may be granted to promote residential development or redevelopment if the governing body determines that residential development or redevelopment would not occur solely through private investment in the reasonably foreseeable future.

Residential Improvements — means the construction of residential building(s), and all the appurtenances thereto, single-family in purpose. This does not include duplexes or multi-family structures.

Total Facility — means all buildings and structures along with the appurtenances thereto.

ELIGIBILITY

All residentially zoned property is eligible for designation as a Reinvestment Zone. A new structure anywhere within the corporate limits of a value in excess of $15,000.00 may receive abatement. As provided in the Act, abatement may only be granted for the value of eligible property subsequent to and listed in an abatement agreement between the City of Sherman and the property owner. Abatement will be granted for residential improvements only.

Eligible Property — Abatement will be extended to the increased value of real estate, buildings, structures, and site improvements along with the appurtenances thereto for properties which are single-family in purpose. This does not include duplexes or multi-family structures.

Value and Term of Abatement — Upon determination that all requirements for tax abatement have been satisfied by the applicant, the value and terms of the abatement will be for a period of ten (10) years in accordance with the following schedule for the abatement of taxes on the added value above the base year value. Abatement shall be granted effective with the January 1 valuation date immediately following the date of completion of the improvements.

SCHEDULE OF TAXES ASSESSED

TAX YEAR	ABATEMENT
1	100%
2	100%
3	100%
4	100%
5	100%
6	100%
7	80%
8	60%
9	40%
10	20%

CRITERIA

Any request for tax abatement shall be reviewed for completeness. The City staff shall determine whether the application satisfies the guidelines and criteria. Tax abatement shall be based upon an evaluation of the following criteria which each applicant will be requested to address in narrative format:

Fiscal Impact

Addition of real property improvements to the tax rolls.

No utility construction by the City would be required other than routine.

Community Impact

The project is compatible with the City's comprehensive plan.

No adverse environmental impact will be created by the project.

PROCEDURES

Any person, partnership, organization, corporation or other entity desiring that the City of Sherman consider providing tax abatement to encourage location of residential improvements

within the City limits of Sherman shall be required to comply with the following procedural guidelines:

1. Preliminary Application Steps

   A. Applicant shall submit an "Application for Tax Abatement" contemporaneously with the application for a building permit, and shall pay a filing fee of $75.00 to cover publication, notice cost, review and processing. If the applicant for the building permit is not the owner of the real estate and does not make application for residential tax abatement on behalf of the owner, the City staff shall notify the owner by certified mail, return receipt requested, that residential tax abatement must be filed with the City within ten (10) business days of receipt of the notice.

   B. If the applicant does not wish to apply for residential tax abatement at the time that the building permit is issued, or if the owner fails to respond to the written notice of availability for residential tax abatement, the opportunity for residential tax abatement is waived. The staff shall prepare forms necessary to reflect the refusal of an applicant to participate and to document the lack of response by the owner to the written notice. The refusal or waiver to participate in residential tax abatement by the owner or applicant shall be binding on subsequent owners of the real property.

   C. The City may request applicant to provide substantiation of economic feasibility of the overall project to assist in determining the long-term benefit to the City.

   D. A complete legal description shall be provided.

   E. Applicant shall complete all forms and information detailed above and submit them to the City of Sherman.

2. All information in the application package detailed above will be reviewed for completeness and accuracy. Additional information may be requested as needed.

   If necessary, applicant will meet with City to discuss details of the application and prepare for presentation of application to the City Council.

3. The application shall include the total capital investment for real property improvements and type of project.

LEGAL DOCUMENTATION PREPARATION

The City will be responsible for drafting the proposed agreement pursuant to the approved Tax Abatement, as well as all associated documentation.

The legal document is to include the following:

1. Estimated value of new construction to be abated.

2. Percent of value to be abated each year.

3. Commencement date and the termination date of abatement.

4. Proposed use of the facility, nature of construction, time schedule, map, property description and improvements list as provided in the application.

5. Contractual obligations in the event of default, violation of terms or conditions, delinquent taxes, recapture and administration.

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

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

CITY OF SHERMAN, TEXAS

BY: _____
DAVID PLYLER, MAYOR

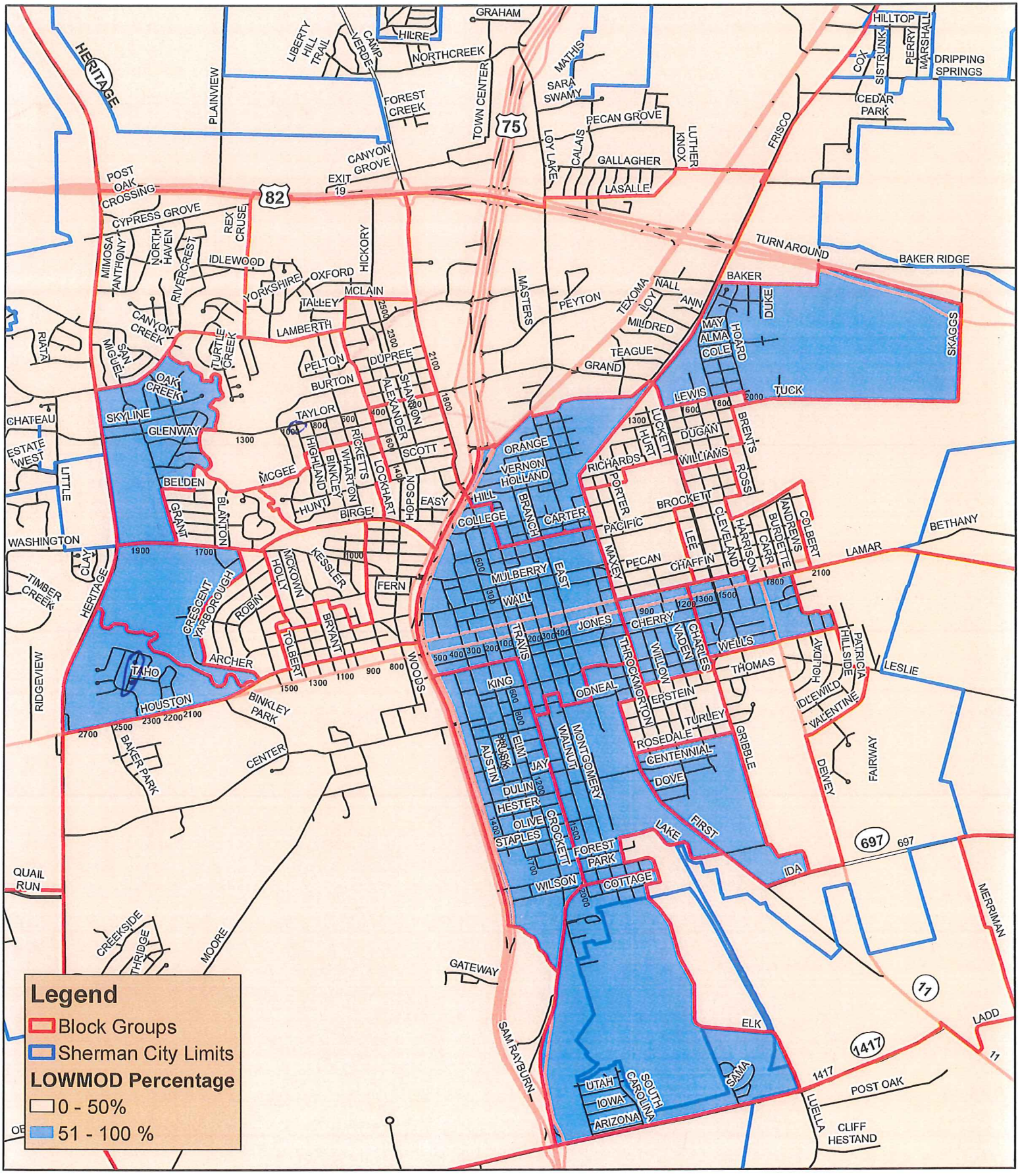
ATTEST:

BY: _____
LINDA ASHBY, CITY CLERK

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

BY: _____
RYAN PITTMAN, CITY ATTORNEY

Sherman, Texas



SHERMAN CITY COUNCIL
Agenda Communication Form

City Council Regular Meeting **E. 9.**

Meeting Date: 04/19/2021

Prepared By: Theresa Hutchinson, Parks & Recreation Manager

Approved By: Robby Hefton, City Manager

Caption:

**** RESOLUTION NO. 6735***

Authorizing the Purchase of a New Kubota Rubber Track Excavator from Zimmerer Kubota & Equipment, Inc. for the Cemetery Department through the Texas Local Government Purchasing Cooperative (Buyboard)

Issue:

Authorizing the purchase of a new Kubota Rubber Track Excavator from Zimmerer Kubota & Equipment, Inc. via the Buyboard.

Background:

Currently, Cemetery staff use a backhoe when excavating for grave sites. By using the rubber track excavator, the digging process will be quicker, cleaner, with increased access to difficult areas, increasing efficiency and reduce risk of head stone damages. Cost of the new excavator is approximately $50,561.

The Texas Local Government Purchasing Cooperative was created to increase the purchasing power of government entities and to simplify their purchasing by using a customized electronic purchasing system called the BuyBoard.

Origination:

Cemetery

Financial Consideration:

Funds for this purchase were approved in the fiscal year (FY) 2020-2021 budget.

Staff Recommendation:

It is recommended that the City Council authorize the purchase of the new Kubota Rubber Track Excavator.

Alternatives:

As may be directed by the City Council

Attachments

Resolution No. 6735
Kubota Excavator Quote

RESOLUTION NO. 6735

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AUTHORIZING THE PURCHASE OF A NEW KUBOTA RUBBER TRACK EXCAVATOR FROM ZIMMERER KUBOTA AND EQUIPMENT, INC. FOR THE CEMETERY DEPARTMENT THROUGH THE TEXAS LOCAL GOVERNMENT PURCHASING COOPERATIVE (BUYBOARD); 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 to purchase from Zimmerer Kubota and Equipment, Inc. through Buyboard a new Kubota Rubber Track Excavator at a total price of Fifty-One Thousand, Five Hundred Sixty-Two Dollars and Forty Two Cents ($51,561.42). Any agreements related to the purchase must be approved by the City Attorney. Funds for this purchase are being committed out of the City of Sherman's fiscal year 2020-2021 budget.

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

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

CITY OF SHERMAN, TEXAS

BY: _____

DAVID PLYLER, MAYOR

ATTEST:

BY: _____

LINDA ASHBY, CITY CLERK

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

BY: _____

CITY ATTORNEY

BuyBoard Cooperative Purchasing

Contract Numbers:
CE - #597-19
GM - #611-20

KX04D-4R3A WEB QUOTE #1942807
Date: 3/16/2021 9:32:50 AM

-- Customer Information --
DANIEL, CLINTON
CITY OF SHERMAN
clintd@cityofsherman.com
903-892-7350

Quote Provided By
ZIMMERER KUBOTA & EQUIPMENT, INC.
Brent Yates
5165 MARK IV PKWY
FT WORTH, TX 76106
email: brenty@zkmail.com
phone: 9032948551

-- Standard Features --

Kubota

K Series KX040-4R3A

* * * EQUIPMENT IN STANDARD MACHINE * * *

FEATURES
Eco Plus System
Auto Idler
Rubber Track Model
ROPS/OPG (Top Guard, Level I) Air Conditioning Cab
Suspension Seat
Kubota 1 Hydraulic Pump Load Sensing System
1 Variable Displacement Pump
All Controls Hydraulic Pilot Controls
Two Operating Pattern Selection System
Accumulator
Digital Control Panel
Attachment Flow Presets, Service Alerts
Float Angle Blade w/ Bolt-on Cutting Edge
360 Degree Full Rotation
70 Degree Left, 55 Degree Right Boom Swing
17.2 gpm Adjustable Auxiliary Hydraulics Port 1
Auxiliary Hydraulics Diverter Valve
Thumb Bracket and Relief Valves
Five Second Quick Preheat System
Key Switch Stop System
Half Pitch Rubber Tracks
Self Bleed Fuel System
Auto-Downshift Two Speed Travel System
Swivel Negative Brake
Travel Negative Brake
Third Line

DIMENSIONS AND OPERATING WEIGHT
KX040-4R3A, Rubber Tracks, Air Conditioned
ROPS/OPG (Top Guard, Level I) Cab, Angle Dozer Blade
Overall Length 16' 8.2"
Overall Width 5' 6.9"
Overall Height 8' 1.8"
Operating Weight 9,855 lbs.*
Ground Clearance 12.9"
* Includes operator's weight, 175 lbs.

ENGINE
D1803 Kubota DI Turbo CRS Tier 4 Diesel Engine
3 Cylinder, 4 Cycle
38.9 Net HP @ 2200 rpm

OPERATIONAL DIMENSIONS
Max Digging Depth 11' 2.7"
Max Digging Radius @ Ground Level 17' 9"
Max Vertical Digging Depth 7' 4.8"
Max Dumping Height 12' 9.5"

DOZER BLADE DIMENSIONS
Width 66.9"
Height 15.75"
Lift Above Ground 15.17"
Drop Below Ground 15.94"

PERFORMANCE
Digging Force @ Bucket (K7875) 9,535 lbs.
Digging Force @ Dipper Arm 4,112 lbs.
Travel Speed (Low) 1.8 mph
Travel Speed (High) 3.1 mph
Climbing Ability 36% / 20°
Lift Capacity 4,080 lbs.
Over Front
Blade Grounded
2.0 ft. Load Point Height
8.0 ft. Load radius

-- Custom Options --

KX040-4R3A Base Price:	$63,018.00
(1) QUICK COUPLER K7870A-QUICK COUPLER	$986.00
(1) 24" QA TRENCHING BUCKET WITHOUT TEETH K7875AC-24" QA TRENCHING BUCKET WITHOUT TEETH	$1,363.00
Configured Price:	$65,367.00
BUY BOARD Discount:	($15,688.08)
SUBTOTAL:	$49,678.92
Dealer Assembly:	$42.50
Freight Cost:	$590.00
PDI:	$250.00
Total Unit Price:	$50,561.42
Quantity Ordered:	1
Final Sales Price:	$50,561.42

Purchase Order Must Reflect the Final Sales Price

To order equipment – purchase orders must be made out and returned to:

Kubota Tractor Corporation
Attn: National Accounts
1000 Kubota Drive
Grapevine, TX 76051
or email NA.Support@kubota.com
or call 817-756-1171 or fax 844-582-1581

***All equipment specifications are as complete as possible as of the date on the quote. Additional attachments, options, or accessories may be added (or deleted) at the discounted price.** All specifications and prices are subject to change. Taxes are not included. The PDI fees and freight for attachments and accessories quoted may have additional charges added by the delivering dealer. These charges will be billed separately. Prices for product quoted are good for 60 days from the date shown on the quote. All equipment as quoted is subject to availability.

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198.143.57.25

SHERMAN CITY COUNCIL
Agenda Communication Form

City Council Regular Meeting **F. 1.**

Meeting Date: 04/19/2021

Prepared By: Teri Fine, Assistant to the City Manager

Approved By: Robby Hefton, City Manager

Caption:

OTHER BUSINESS

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

Issue:

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

Background:

The brief presentation by the SEDCO President will provide the City Council with an overview of SEDCO's activities and accomplishments during the period of January 2021 through the end of March 2021. SEDCO's last update for the quarterly period of October, November and December 2020 was presented at the January 4th City Council meeting.

Origination:

City Council

Financial Consideration:

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

Staff Recommendation:

No action is required of the City Council.

Alternatives:

None recommended

Attachments

SEDCO's Quarterly Progress Report

REPORTING FORM FOR BOARDS AND COMMISSIONS

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

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

Date of Report to City Council: April 5, 2021

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

2. **Please list the top accomplishments of your board within the past quarter. (Please limit the list to five or fewer items).**
   - *The SEDCO Board passed Resolution No. SEDCO-2021.01 authorizing the execution of a contract of sale agreement with Sherman Development Limited Partnership No. 1, L.P. for the acquisition of approx. 114.94 acres located south and southeast of Emerson. SEDCO closed on this property in February, and it is now marketed as Progress Park VIII.*
   - *The SEDCO Board passed Resolution No. SEDCO-2021.02 authorizing an extension of the assistance awarded to Elevate Recoveries through February 1, 2022.*
   - *The SEDCO Board passed Resolution No. SEDCO-2021.03 authorizing an incentive up to $70,000 to P.Q.D. International, Inc. towards their $1,400,000 project. PQD purchased a building in Midway Park and the current business residing in that building, which retained six jobs. PQD will add two new jobs for a total of eight jobs.*
   - *SEDCO presented the first incentive payment of $90,163.88 to Eternity Technologies. The company has invested $1,803,277.50 in capital expenditures.*

3. **What are your plans for this board in the next quarter?**
   - *Compete aggressively for the attraction of new jobs and investments to the city from existing Sherman employers and new companies, both nationally and internationally.*
   - *Work closely with companies that have announced new investments in Sherman to ensure they have the support to meet their goals and receive the incentives as identified in the Performance Agreements.*
   - *SEDCO will close on the 10.33 acres located at the southeast corner of Dorset Drive and Howe Drive.*
   - *Continue working with Retail Strategies on the geofence study to learn more about the people that live in Grayson County but commute to Collin County for work (and vice versa) and how to target them.*
   - *Update the Raising Innovative Sherman Entrepreneurs (RISE) Challenge collateral for the next competition and schedule a meeting with the Sherman bank lenders to educate them on the program, so when an eligible Type A project comes to their bank for a loan, they can share how RISE can assist in reaching those fundraising goals.*
   - *Kent will continue business retention and expansion visits to the Sherman industries and attend meetings for the Texas Economic Development Council (TEDC), Center for Workplace Learning (CWL) Advisory Board, Advanced Manufacturing Program (AMP),*

North Texas Regional Airport (NTRA) Master Plan Steering Committee, United Way of Grayson County, Grayson Leadership Roundtable, and the Sherman Education Foundation Board.

- *Host the Summer Leadership Breakfast on June 22nd.*
- *To celebrate SEDCO's 25th Anniversary, we will release a video that highlights Sherman's industrial history leading up to SEDCO's start and to present day.*
- *Poll the Plant Managers, Safety Leaders and Human Resource Managers to plan either in-person or virtual forums for Q2 2021.*
- *Contact each company with a job listing on shermantxjobs.com for updates. New listings will be boosted on Facebook.*
- *The staff will attend the TEDC Mid-Year Conference.*
- *Sponsor and set up a tee box at the Sherman Chamber Golf Tournament.*

4. **How often did this board meet in the last quarter?**
   - *The SEDCO Board meets on the second Tuesday of each month and holds special called meetings when needed. Since our last report, the SEDCO Board held two regularly scheduled meetings (January 12th, March 9th). The February 9th meeting was cancelled due to winter weather.*

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

6. **Did any member attend less than 75% of those meetings? If so, which member and how often did they attend.**
   - *Only two meetings were held this quarter. Janie Bates, Scott Bandemir, Daniel Worrell, and Jason Brumm attended both meetings. Gail Utter attended one of the two meetings.*

7. **What other information would your board like to communicate to the City Council? (please be concise in your response).**
   - *SEDCO is presently working 5 active projects with an estimated $905M in investments and approximately 4,754 new jobs.*
   - *We completed one site visit and two prospect meetings.*
   - *Launched a marketing campaign for approx. 50 California companies in our target markets using contacts through the Gazelle AI software and LinkedIn. The campaign includes targeted LinkedIn marketing, direct mailers, and follow up emails/LinkedIn messages.*
   - *Kent completed Business Retention and Expansion visits with Commissary Express, Eternity Technologies, and 903 Brewers.*
   - *The staff relayed updates to the Sherman industries and collected answers to their questions during the winter weather event.*
   - *Representatives from SEDCO, Austin College, the City of Sherman, II-VI, and GlobiTech gathered for a Task Force Meeting to discuss the issues caused by the winter storm.*
   - *Kent participated in a statewide video conference with the Governor's Office and TEDC to discuss the short-term, intermediate, and long-term effects on economic development efforts in Texas with regards to the winter storm. The discussion centered on how communities can become more proactive when existing companies and potential new companies inquire about the community's preparedness for another major incident.*
   - *Launched a geofence study with Retail Strategies to learn more about incoming and outgoing commuters between Grayson and Collin Counties.*

- *Announced a partnership with the Grayson College CWL to offer no-cost training to full-time employees of Sherman-based, Type A businesses. Twelve courses are being offered during the spring and summer semesters. As of March 31st, the program had 42 registrations across three industries – Altium Packaging, Modular Power Solutions, and Sunny Delight.*
- *Organized an effort for education, workforce, and industry representatives to visit the high schools to talk to the AMP 10th graders as a retention effort.*
- *The staff met with Austin College, the Grayson Small Business Development Center (SBDC), and the judges to brainstorm ideas for the next RISE Challenge which is tentatively scheduled to launch in August.*
- *Kent provided an economic update to the RE/MAX Signature Properties team.*
- *Finalized the production of a commemorative logo for SEDCO's 25th Anniversary and worked with the Sherman Museum to collect photographs, newspaper articles, and other archives for the anniversary video.*
- *Sponsored a total of eight ads on Facebook and LinkedIn promoting Progress Park, RISE, a Presco Job Fair, a Tyson Hiring Event, and an available job a Douglass Distributing.*
- *Completed an aerial map update.*
- *The staff attended the TEDC 2021 Virtual Legislative Conference and participated in two TEDC Webinars – "Data and Analytics for Economic Developers to Support the US Manufacturing Economy" and "TEDC Legislative Update."*
- *Kent attended the following: United Way of Grayson County Board Meeting, Grayson College CWL Advisory Board Meeting, Grayson Leadership Roundtable, TEDC Finance Committee Meeting, AMP Meeting, Sherman Education Foundation Board Meeting, Human Resources Supervisors Training, and the Ribbon Cutting for the new Sherman High School.*
- *Sponsored the virtual Sherman Chamber Annual Awards Luncheon.*

SHERMAN CITY COUNCIL
Agenda Communication Form

City Council Regular Meeting **F. 2.**

Meeting Date: 04/19/2021

Prepared By: Mary Lawrence, Director of Finance

Approved By: Robby Hefton, City Manager

Caption:

**** OTHER BUSINESS***

Approve Quarterly Investment Report for Quarter Ended March 31, 2021

Issue:

To approve the Investment Report for the quarterly period ended March 31, 2021

Background:

These reports are being presented in accordance with the state law that requires at least quarterly presentation to the Council. A separate report is included for the debt proceeds as required by the Investment Policy. The reports were given to the Investment Committee prior to submittal to the Council.

As of March 31, 2021, the portfolios were in compliance with applicable state laws and the Investment Policy. The operating investment portfolio had a book value of about $15.2 million, an increase of about $5.4 million from prior quarter of $9.8 million, due to investments made with property tax receipts. The underlying investments were adequately diversified among six different types of securities. This portfolio is appropriately liquid; and its weighted-average maturity was about 439 days, down from 444 days from last quarter. The portfolio yield of 0.61% is fifty-four (54) basis points above the benchmark yield of 0.07%. Market value is approximates book value.

The debt proceeds portfolio balance of $12.9 million was invested in Local Government Investment Pools and an FDIC insured investment account. Transactions in this portfolio include payments for capital projects and the receipt of interest income. The yield of 0.11% was above the benchmark yield of 0.01% for this portfolio. Book value and market value were the same.

Origination:

Finance Department

Financial Consideration:

None

Staff Recommendation:

It is recommended that the Council accept the Investment Report as presented.

Alternatives:

The Council could offer suggestions for improvement or could request more frequent reporting.

Attachments

2021-03-31 Investment Reports w_Memo

Sherman
CLASSIC TOWN. BROAD HORIZON.

memorandum

DATE: Tuesday, April 13, 2021

TO: The City of Sherman Investment Committee
Councilwoman Sandra Melton
Councilwoman Pam Howeth
Robby Hefton, City Manager

FROM: Mary Lawrence, Director of Finance ml

SUBJECT: Investment Reports for the Quarter Ended March 31, 2021

Enclosed is a copy of the quarterly investment reports for March 31, 2021. As of that date, the City was in compliance with all applicable state laws and internal policies for the portfolio.

The total operating portfolio market value of about $15.2 million increased by about $5.4 million from the previous quarter due to deposits/purchases of $3.0 million in the Local Government Investment Pools (LGIP), $1.0 million in an FDIC Insured Investment Account, $1.5 million in Certificates of Deposit, $4.0 million in U.S. Agency Securities, $1.0 million in U.S. Treasury Notes and $4.5 million in State of Texas political subdivision obligations. The underlying investments were adequately diversified among six different types of securities. The portfolio's weighted-average maturity of about 439 days decreased from 444 days last quarter. The portfolio yield of .61% was 54 basis points above our benchmark 1-year Constant Maturity Treasury Index of 0.07%. Book value of $15.2 million approximated market value.

The debt proceeds portfolio balance of $12.9 million had decreased by about $1.2 million due to payments for capital projects. The portfolio includes a Local Government Investment Pool and an FDIC insured investment account. The portfolio's weighted-average maturity of 1 day is the same as last quarter. The portfolio yield of 0.11% was 10 basis points above the benchmark yield for this portfolio, the 4-week Constant Maturity Index, of 0.01%. Book value was the same as market value.

The investment reports will be on the April 19, 2021 City Council agenda for their review and approval. Please call me if you have any questions about this item.

attachment (as stated above)

CITY OF SHERMAN, TEXAS
INVESTMENT PORTFOLIO SUMMARY
For the Quarter Ending March 31, 2021

Total Portfolio Summary	Current Quarter 3/31/2021	Prior Quarter 12/31/2020	Change From Prior Quarter
Book Value	$ 15,222,860	$ 9,829,066	$ 5,393,794
Market Value	$ 15,257,865	$ 9,879,462	$ 5,378,403
Weighted Average Maturity - Days	439	444	(5)
Weighted Average Yield	0.61%	1.23%	-0.62%
Earned Income	$ 20,630	$ 36,458	$ (15,828)
Earned Income - Year-to-Date	$ 57,088	$ 36,458	$ 20,630

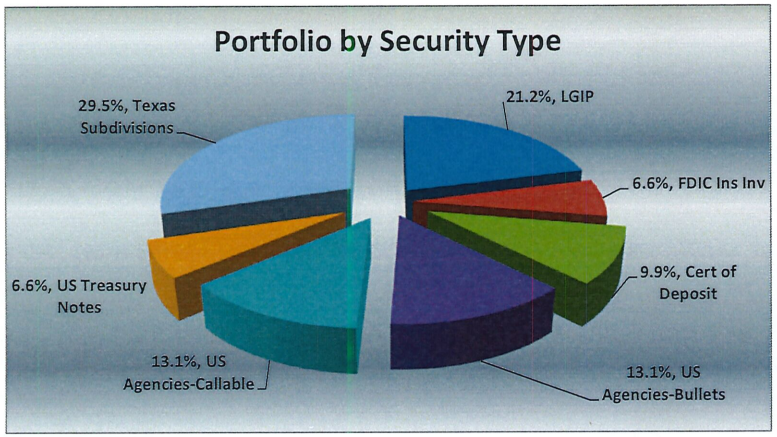
This report complies with the requirements of the public funds investment law and covers all the funds of the City of Sherman that are subject to that law.

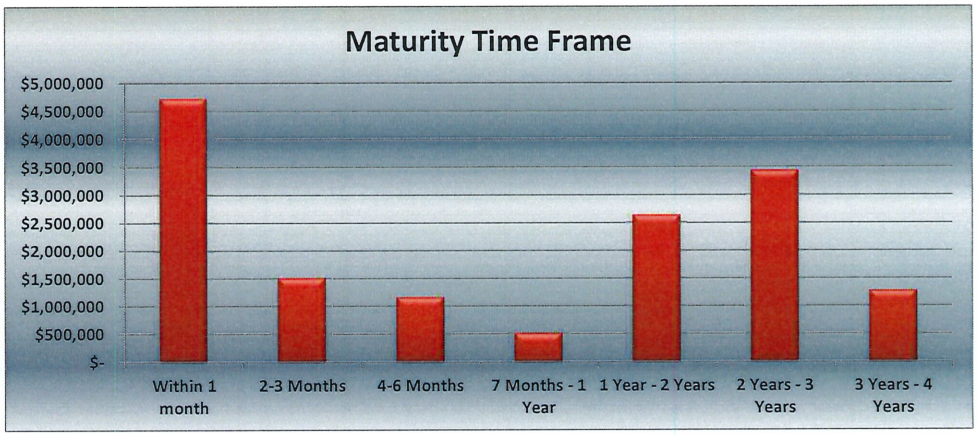
As of March 31, 2021, the City's portfolio had a book value of $15.2 million, with a market value of approximately $15.3 million. Of this amount, approximately $3.2 million was held in Local Government Investment Pools (LGIP), $1.0 million was held in a FDIC Insured Investment Account, $1.5 million was held in Certificates of Deposit (CD), $4.0 million was held in U.S. Agency Securities, $1.0 million was held in U.S. Treasury Notes and $4.5 million was held in State of Texas political subdivision obligations.

The portfolio value increased by $5.4 million from the previous quarter due to deposits of $3.0 million in Local Government Investment Pools (LGIP), $1.0 million placed in FDIC Insured Investments, $1.0 million of purchases in U.S. Agency Securities, $1.0 million of purchases in U.S. Treasury Notes, and $0.9 million invested in State of Texas political subdivision obligations. Maturities included $1.0 million in U.S. Agency Securities, and $0.5 million in State of Texas political subdivision obligations.

The weighted average yield of the portfolio was .61%, which is 54 basis points above the 1-year Constant Maturity Treasury Index of 0.07% and 62 basis points below the previous quarter.

The weighted average maturity of the portfolio decreased from 444 days at December 31, 2020, to 439 days at March 31, 2021.





Mary Lawrence, Finance Director and City of Sherman Investment Officer

Tammy Davis, Controller and City of Sherman Investment Officer

Sherman
CLASSIC TOWN. BROAD HORIZON.

CITY OF SHERMAN, TX
Investments Outstanding
As of 3/31/2021

CUSIP	Settlement Date	Security Type	Security Description	CPN Rate	Maturity Date	Credit Rating	Par Value	Purchase Price	Original Cost	Book Value	Market Price	Market Value	Days to Maturity	YTM
Tex-Pool		LGIP	TexPool			AAAm	$ 1,554,933	100.00	$ 1,554,933	$ 1,554,933	100.00	$ 1,554,933	1	0.05%
TexStar		LGIP	TexSTAR			AAAm	1,666,100	100.00	1,666,100	1,666,100	100.00	1,666,100	1	0.04%
Landing Rock		FDIC Ins Inv	Landing Rock			AAAm	1,000,011	100.00	1,000,011	1,000,011	100.00	1,000,011	1	0.20%
CD 197679947	5/28/2020	CD	Simmons Bank	0.70%	5/29/2021		1,500,000	100.00	1,500,000	1,507,925	100.00	1,507,925	59	0.70%
64542WAX8	6/14/2019	Texas Subdivision	New Hope Cultrl Edu TX A&M Univ	1.81%	4/1/2021	AA+	500,000	99.50	497,500	500,000	100.00	500,000	1	2.09%
8800644Z0	9/10/2020	Texas Subdivision	City of Temple, TX CO	3.00%	8/1/2021	AA+	250,000	102.45	256,118	252,287	100.93	252,327	123	0.25%
926293YY1	3/20/2020	Texas Subdivision	City of Victoria, TX Ref	4.00%	8/15/2021	AA+	100,000	102.68	102,681	100,717	101.40	101,404	137	2.05%
34679RNB1	6/6/2017	Texas Subdivision	Fort Bend Co TX MUD #23-A	2.00%	9/1/2021	A3	500,000	101.43	507,125	500,701	100.68	503,421	154	1.65%
41420QGV4	3/17/2020	Texas Subdivision	Harris Cnty TX MUD #400	3.00%	9/1/2021	AA+	300,000	101.53	304,590	300,837	100.19	300,560	154	0.85%
549188UJ7	6/25/2019	Texas Subdivision	City of Lubbock TX Txbl-Ref	2.32%	2/15/2022	AA+	500,000	101.00	504,985	501,653	101.87	509,371	321	1.93%
3134GBRT1	6/29/2017	Agency Bullet	FHLMC	2.00%	6/29/2022	AAA	1,000,000	100.00	1,000,000	1,000,000	102.33	1,023,276	455	2.00%
3134GVZT8	6/30/2020	Agency Callable	FHLMC	0.35%	11/28/2022	AA+	1,000,000	100.00	1,000,000	1,000,000	100.02	1,000,237	607	0.35%
977810JU5	1/5/2021	Texas Subdivision	City of Wolfforth TX GO	4.00%	2/15/2023	AA	250,000	107.58	268,955	266,835	106.53	266,332	686	0.39%
498730AX8	3/9/2021	Texas Subdivision	Klondike TX ISD GO	1.00%	2/15/2023	AA+	360,000	101.74	366,253	366,064	101.60	365,752	686	0.10%
3135G05B5	6/25/2020	Agency Callable	FNMA	0.45%	6/30/2023	AA+	1,000,000	100.00	1,000,000	1,000,000	100.06	1,000,557	821	0.45%
448474TM8	12/17/2020	Texas Subdivision	City of Hutto, TX Ref Series B	2.00%	8/1/2023	AA+	400,000	104.17	416,676	414,839	103.57	414,292	853	0.40%
340405MW6	12/22/2020	Texas Subdivision	City of Floresville TX Elec Light Ref	4.00%	8/15/2023	AA+	525,000	109.30	573,841	568,818	108.57	570,006	867	0.46%
413946PC2	6/25/2020	Texas Subdivision	Harris Cnty TX MUD #278 Ref	4.00%	9/1/2023	AA+	420,000	108.17	457,439	448,487	108.59	456,093	884	1.14%
9128CBM2	2/22/2021	US Treasury	US Treasury Note B Class	0.13%	2/15/2024	AA	1,000,000	99.76	997,578	997,660	99.45	994,453	1,051	0.21%
3136G43H4	3/29/2021	Agency Bullet	FNMA	0.40%	9/16/2024	AA+	1,000,000	100.000	998,500	998,501	99.71	997,133	1,265	0.44%
983064YX8	3/11/2021	Texas Subdivision	City of Wylie, TX GO	3.00%	2/15/2025	AA+	250,000	110.740	276,852	276,492	109.47	273,682	1,417	0.25%
Total							**$ 15,076,044**		**$ 15,250,136**	**$ 15,222,860**		**$ 15,257,865**		

Sherman
CLASSIC TOWN. BROAD HORIZON.

CITY OF SHERMAN, TX
Market Value Summary
As of 3/31/2021

CUSIP	Settle Date	Security Description	Maturity Date	Market Value 12/31/2020	Change in Market Value	Market Value 3/31/2021
TexPool		TexPool		$ 54,922	$ 1,500,011	$ 1,554,933
TexStar		TexStar		166,080	1,500,020	1,666,100
Landing Rock		Landing Rock		-	1,000,011	1,000,011
CD 197679947	2/27/2019	Simmons Bank	5/27/2021	1,505,297	2,628	1,507,925
6678257C1	12/4/2019	Northwest TX ISD	2/15/2021	502,575	(502,575)	-
3134GSFE0	2/27/2018	FHLMC	2/26/2021	1,003,540	(1,003,540)	-
64542WAX8	6/14/2019	New Hope Cultrl Edu TX A&M Univ	4/1/2021	501,605	(1,605)	500,000
8800644Z0	9/10/2020	City of Temple, TX CO	8/1/2021	254,103	(1,776)	252,327
926293YY1	3/20/2020	City of Victoria, TX Ref	8/15/2021	102,363	(959)	101,404
34679RNB1	6/6/2017	Fort Bend Co TX MUD #23-A	9/1/2021	505,465	(2,044)	503,421
41420QGV4	3/17/2020	Harris Cnty ,TX MUD #400	9/1/2021	300,555	5	300,560
549188UJ7	6/25/2019	City of Lubbock TX Txbl-Ref	2/15/2022	511,165	(1,794)	509,371
3134GBRT1	6/29/2017	FHLMC	6/29/2022	1,028,092	(4,816)	1,023,276
3134GVZT8	6/30/2020	FHLMC	11/28/2022	1,000,309	(72)	1,000,237
3135G05B5	6/25/2020	FNMA	9/1/2023	1,000,100	457	1,000,557
340405MW6	12/22/2020	City of Floresville, TX Electr	8/15/2023	574,450	(4,444)	570,006
448474TM8	12/17/2020	City of Hutto, TX GO	8/1/2023	416,396	(2,104)	414,292
413946PC2	6/25/2020	Harris Cnty, TX MUD #278 GO	9/1/2023	452,445	3,648	456,093
977810JU5	1/5/2021	City of Wolfforth, TX GO	2/15/2023	-	266,332	266,332
498730AX8	3/9/2021	Klondike, TX ISD GO	2/15/2023	-	365,752	365,752
9128CBM2	2/22/2021	US Treasury Note B Class	2/15/2024	-	994,453	994,453
3136G43H4	3/29/2021	FNMA	9/16/2024	-	997,133	997,133
983064YX8	3/11/2021	City of Wylie, TX GO	2/15/2025	-	273,682	273,682
Total				**$ 9,879,462**	**$ 5,378,403**	**$ 15,257,865**

Sherman
CLASSIC TOWN. BROAD HORIZON.

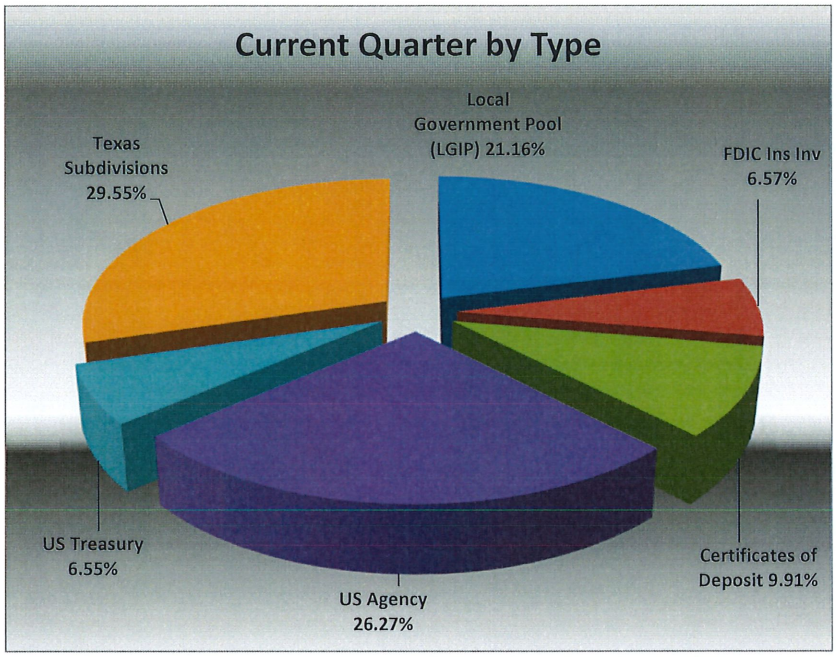
CITY OF SHERMAN, TX
Investment Transaction Report
As of 3/31/2021

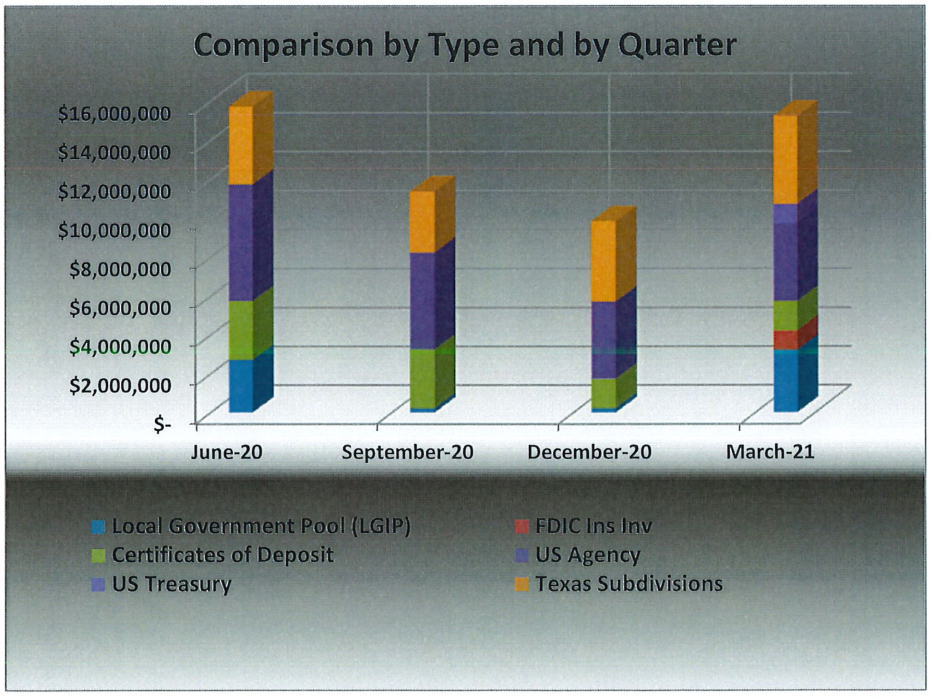
Trade Date	Settle Date	CUSIP	Security Description	Coupon	Maturity Date	Call Date	Par Value	Principal Amount	Interest Purchased/ Received	Total Amount	YTM
Maturities & Calls											
	2/15/2021	6678257C1	Northwest TX ISD	5.00%	2/15/2021		$ 500,000	$ 500,000	$ 12,500	$ 512,500	1.68%
	2/26/2021	3134GSFEO	Freddie Mac	2.50%	2/26/2021	1/0/1900	1,000,000	1,000,000	12,500	1,012,500	2.50%
Purchases											
	1/5/2021	977810JU5	City of Wolfforth, TX GO	4.00%	2/15/2023		250,000	268,955	-	268,955	0.39%
	2/22/2021	9128CBM2	US Treasury Note B Class	0.13%	2/15/2024		1,000,000	997,578	24	997,602	0.21%
	3/9/2021	498730AX8	Klondike TX ISD GO	1.00%	2/15/2023		360,000	366,253	-	366,253	0.10%
	3/11/2021	983064YX8	City of Wylie, TX GO	3.00%	2/15/2025		250,000	276,853	-	276,853	0.25%
	3/26/2021	TexPool	LGIP	0.02%			1,500,000	1,500,000	-	1,500,000	0.02%
	3/26/2021	TexStar	LGIP	0.02%			1,500,000	1,500,000	-	1,500,000	0.02%
	3/26/2021	Landing Rock	FDIC Ins Inv	0.20%			1,000,000	1,000,000	11	1,000,011	0.20%
	3/29/2021	3136G43H4	FNMA	0.40%	9/16/2024		1,000,000	998,500	155	998,655	0.44%
Income Payments											
	3/31/2021	TexPool	LGIP	0.05%					10	10	0.05%
	3/31/2021	TexStar	LGIP	0.04%					20	20	0.04%
	3/1/2021	34679RNB1	FT Bend Cnty TX MUD#23	2.00%	9/1/2021				5,000	5,000	1.65%
	2/1/2021	448474TM8	City of Hutto, TX GO	2.00%	8/1/2023				978	978	0.40%
	2/1/2021	8800644Z0	City of Temple, TX GO	3.00%	8/1/2021				2,938	2,937	0.25%
	2/15/2021	340405MW6	Cit of Floresville, Tx Electr	4.00%	8/15/2023				3,092	3,092	0.46%
	2/15/2021	549188UJ7	City of Lubbock, TX GO	2.32%	2/15/2022				5,800	5,800	1.93%
	2/15/2021	926293YY1	City of Victoria, TX Ref	4.00%	8/15/2021				2,000	2,000	2.05%
	2/28/2021	CD 197679947	Simmons Bank	0.70%	5/29/2021				2,627	2,627	0.70%
	3/1/2021	413946PC2	Harris Cnty TX MUD#278 GO	4.00%	9/1/2023				8,400	8,400	1.14%
	3/1/2021	41420QGV4	Harris Cnty TX MUD#400	3.00%	9/1/2021				4,500	4,500	2.75%
Total									$ 60,554		

Sherman
CLASSIC TOWN. BROAD HORIZON.

CITY OF SHERMAN, TX
Comparison by Type
As of 3/31/2021

Cash/Investment Type	Balance 6/30/2020	Balance 9/30/2020	Balance 12/31/2020	Balance 3/31/2021	Percent of Portfolio	Portfolio Cap
Local Government Pool (LGIP)	$ 2,720,525	$ 220,947	$ 221,002	$ 3,221,033	21.16%	50.00%
FDIC Ins Inv	-	-	-	1,000,011	6.57%	50.00%
Certificates of Deposit	3,018,160	3,020,807	1,505,298	1,507,925	9.91%	50.00%
US Agency	6,000,000	5,000,000	4,000,000	3,998,501	26.27%	50.00%
US Treasury	-	-	-	997,660	6.55%	50.00%
Texas Subdivisions	3,982,782	3,123,174	4,102,766	4,497,730	29.55%	50.00%
Total	**$ 15,721,467**	**$ 11,364,928**	**$ 9,829,066**	**$ 15,222,860**	**100.00%**	



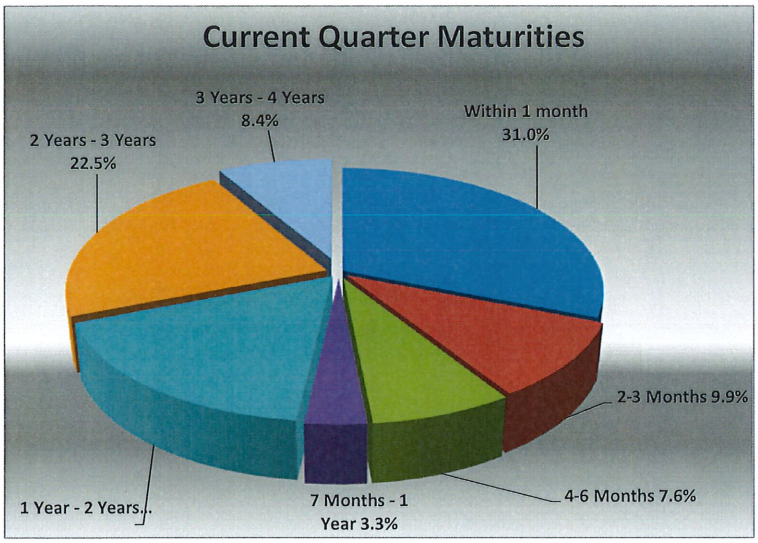


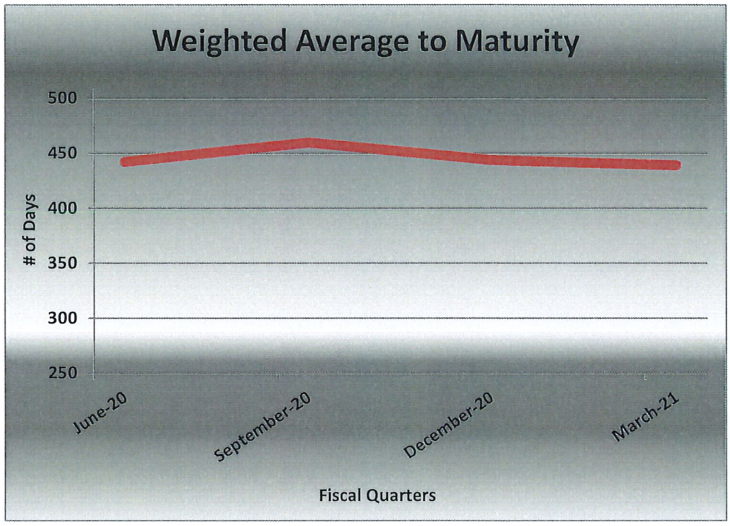
Sherman
CLASSIC TOWN. BROAD HORIZON.

CITY OF SHERMAN, TX
Portfolio by Maturity
As of 3/31/2021

Maturity Time Frame	Balance 6/30/2020	Balance 9/30/2020	Balance 12/31/2020	Balance 3/31/2021	Percent of Portfolio
Within 1 month	$ 2,720,525	$ 1,739,107	$ 221,002	$ 4,721,044	31.0%
2-3 Months	1,106,769	-	1,502,044	1,507,925	9.9%
4-6 Months	1,518,160	1,506,133	2,004,950	1,154,542	7.6%
7 Months - 1 Year	3,509,179	3,162,724	1,157,657	501,653	3.3%
1 Year - 2 Years	2,409,526	1,502,597	2,502,125	2,632,899	17.3%
2 Years - 3 Years	4,000,000	3,454,367	2,441,287	3,429,804	22.5%
3 Years - 4 Years	457,308	-	-	1,274,993	8.4%
4 Years - 5 Years	-	-	-	-	0.0%
	$ 15,721,467	**$ 11,364,928**	**$ 9,829,065**	**$ 15,222,860**	**100.00%**

Liquidity Indicator					Maximum Allowable
Weighted Average Maturity	**442.61**	**459.97**	**443.94**	**439.28**	**500.00**

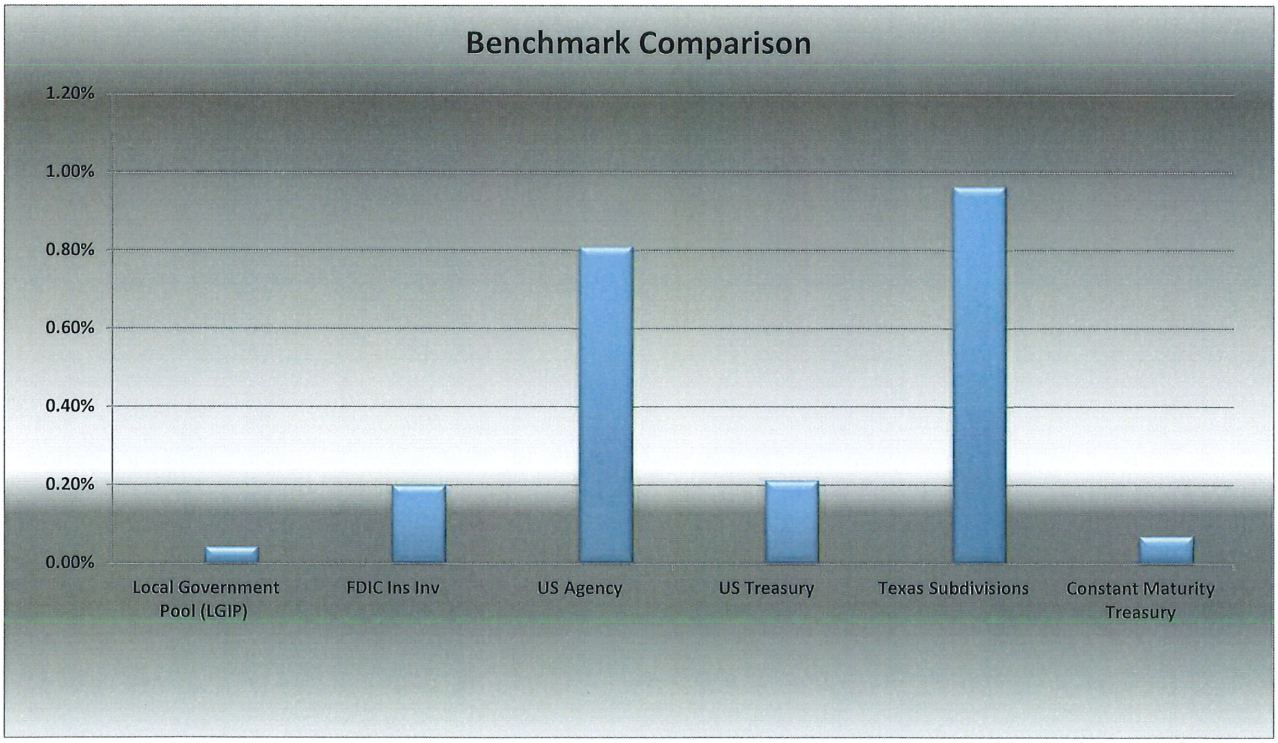




Sherman
CLASSIC TOWN. BROAD HORIZON.

CITY OF SHERMAN, TX
Earned Income
As of 3/31/2021

Date Received/ Purchased	CUSIP	Security Description	Coupon	YTM	Interest Purchased/ Received	Accrued Interest/ Amortization	Income Earned
3/31/2021	TexPool	TexPool			$ 10	$ -	$ 10
3/31/2021	TexStar	TexStar			20	-	20
3/31/2021	Landing Rock	Landing Rock			11	-	11
2/28/2021	CD 197679947	Simmons Bank	0.70%	0.70%	2,627	1	2,628
2/1/2021	8800644Z0	City of Temple, TX CO	3.00%	0.25%	2,938	(2,778)	160
2/1/2021	448474TM8	City of Hutto, TX GO	2.00%	0.40%	977	(567)	410
2/15/2021	340405MW6	City of Floresville, TX Elec Light Re	4.00%	0.46%	3,092	(2,454)	638
2/15/2021	6678257C1	Northwest TX ISD	5.00%	1.68%	12,500	(11,419)	1,081
2/15/2021	549188UJ7	City of Lubbock TX Txbl-Ref	2.32%	1.93%	5,800	(3,372)	2,428
2/15/2021	926293YY1	City of Victoria, TX Ref	4.00%	2.05%	2,000	(1,478)	522
2/26/2021	3134GSFE0	FHLMC	2.50%	2.50%	12,500	(8,611)	3,889
3/1/2021	413946PC2	Harris Cnty TX MUD #278 GO	4.00%	1.14%	8,400	(7,140)	1,260
3/1/2021	34679RNB1	Fort Bend Co TX MUD #23-A	2.00%	1.65%	5,000	(2,920)	2,080
3/1/2021	41420QGV4	Harris Cnty TX MUD #400	3.00%	2.75%	4,500	(2,753)	1,747
3/31/2021	64542WAX8	New Hope Cultrl Edu TX A&M Univ	1.81%	2.09%	-	2,605	2,605
3/31/2021	3134GVZT8	FHLMC	0.35%	0.35%	-	875	875
3/31/2021	9128CBM2	US Treasury Note B Class	0.13%	0.21%	24	185	209
3/31/2021	3136G43H4	FMNA	0.40%	0.44%	155	(154)	1
3/31/2021	498730AX8	Klondike TX ISD GO	1.00%	0.10%	-	21	21
3/31/2021	983064YX8	City of Wylie, TX GO	3.00%	0.25%	-	35	35
					$ 60,554	**$ (39,924)**	**$ 20,630**



CITY OF SHERMAN, TEXAS
DEBT PROCEEDS PORTFOLIO SUMMARY
For the Quarter Ending Marh 31, 2021

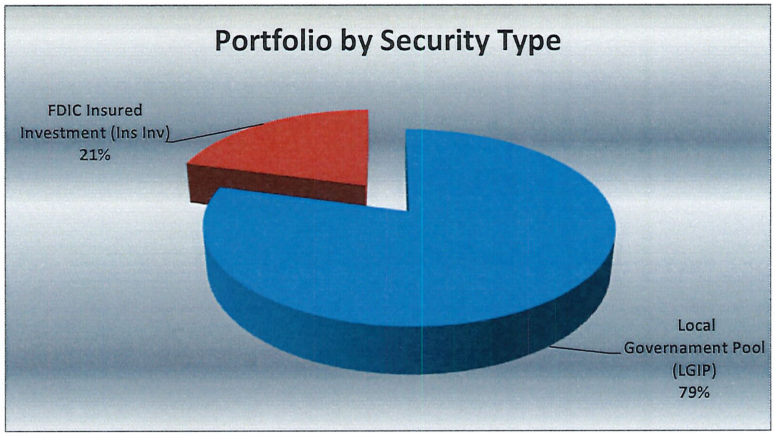
Total Portfolio Summary	Current Quarter 3/31/2021	Prior Quarter 12/31/2020	Change From Prior Quarter
Book Value	$ 12,875,164	$ 14,101,336	$ (1,226,172)
Market Value	$ 12,875,164	$ 14,101,336	$ (1,226,172)
Weighted Average Maturity - Days	1	1	-
Weighted Average Yield	0.11%	0.16%	-0.05%
Earned Income	$ 3,530	$ 6,082	$ (2,552)
Earned Income - Year-to-Date	$ 9,612	$ 6,082	$ 3,530

This report complies with the requirements of the public funds investment law and covers all the funds of the City of Sherman that are subject to that law.

As of March 31, 2021, the City of Sherman's debt proceeds portfolio had a book value of about $12.9 million, which approximates the market value. Of this amount, $10.2 million was held in Local Government Investment Pools (LGIP) and $2.7 million was held in FDIC Insured Investment Accounts (Ins Inv).

The portfolio value decreased by $1.2 million from the previous quarter due to draws for project payments.

The weighted average yield on the portfolio was 0.11%, 10 basis points above the 4-week Constant Maturity Treasury Index of 0.01%, and 5 basis points below the previous quarter.



Mary Lawrence

Mary Lawrence, Finance Director and City of Sherman Investment Officer

Tammy Davis

Tammy Davis, Controller and City of Sherman Investment Officer

Sherman
CLASSIC TOWN. BROAD HORIZON.

CITY OF SHERMAN, TX
Investments Outstanding
AS of 3/31/2021

Name/CUSIP	Debt Issuance	Settlement Date	Security Type	Security Description	Maturity Date	Par Value	Purchase Price	Original Cost	Book Value	Market Price	Market Value	Days to Maturity	YTM
TexPool	2017A Stormwater Certificates of Obligation		LGIP	TexPool	4/1/2021	$ 1,868,221	100.00	$ 1,868,221	$ 1,868,221	100.00	$ 1,868,221	1	0.05%
TexPool	2019 Certificates of Obligation		LGIP	TexPool	4/1/2021	8,347,186	100.00	8,347,186	8,347,186	100.00	8,347,186	1	0.05%
Landing Rock	2017 Certificates of Obligation		Ins Inv	Landing Rock	4/1/2021	2,659,757	100.00	2,659,757	2,659,757	100.00	2,659,757	1	0.33%
Total						**$ 12,875,164**		**$ 12,875,164**	**$ 12,875,164**		**$ 12,875,164**		

Sherman
CLASSIC TOWN. BROAD HORIZON.

CITY OF SHERMAN, TX
Market Value Summary
AS of 3/31/2021

CUSIP	Security Type / Description	Maturity Date	Market Value 12/31/2020	Change in Market Value	Market Value 3/31/2021
TexPool 2017A Stormwater Certificates of Obligation	LGIP	3/31/2021	1,868,004	217	1,868,221
TexPool 2019 Certificates of Obligation	LGIP	3/31/2021	9,575,771	(1,228,585)	8,347,186
Landing Rock 2017 Certificates of Obligation	Ins Inv	3/31/2021	2,657,561	2,196	2,659,757
Total			**$ 14,101,336**	**$ (1,226,172)**	**$ 12,875,164**

Sherman
CLASSIC TOWN. BROAD HORIZON.

CITY OF SHERMAN, TX
Investment Transaction Report
AS of 3/31/2021

Settle Date	Name	Security Description	Coupon	Maturity Date	Par Value	Price	Principal Amount	Interest Purchased/ Received	Total Amount	YTM
Project Payments										
3/26/2021	2019 Tax & Rev	LGIP			$ 1,229,697		$ 1,229,697		$ 1,229,697	
Deposits/Purchases					-		-	-	-	
Income Payments										
1/31/2021	2017 CO-Landing Rock	Ins Inv	0.35%					790	790	0.35%
1/31/2021	2017A Stormwater CO-TexPool	LGIP	0.08%					126	126	0.08%
1/31/2021	2019 CO-TexPool	LGIP	0.08%					645	645	0.08%
2/28/2021	2017 CO-Landing Rock	Ins Inv	0.35%					714	714	0.35%
2/28/2021	2017A Stormwater CO-TexPool	LGIP	0.05%					62	62	0.05%
2/28/2021	2019 CO-TexPool	LGIP	0.05%					316	316	0.05%
3/31/2021	2017 CO-Landing Rock	Ins Inv	0.30%					697	697	0.30%
3/31/2021	2017A Stormwater CO-TexPool	LGIP	0.02%					30	30	0.02%
3/31/2021	2019 CO-TexPool	LGIP	0.02%					151	151	0.02%
Total								**$ 3,530**		

Sherman
CLASSIC TOWN. BROAD HORIZON.

CITY OF SHERMAN, TX
Comparison by Type
AS of 3/31/2021

Cash / Investment Type	Balance 6/30/2020	Balance 9/30/2020	Balance 12/31/2020	Balance 3/31/2021	Percent of Portfolio	Portfolio Cap
Local Governament Pool (LGIP)	$14,842,586	$12,642,888	$11,443,775	$ 10,215,407	79.34%	100.00%
FDIC Insured Investment (Ins Inv)	2,726,865	2,655,047	$2,657,561	2,659,757	20.66%	100.00%
Total	**$ 17,569,451**	**$ 15,297,935**	**$ 14,101,336**	**$ 12,875,164**	**100.00%**	

Sherman
CLASSIC TOWN. BROAD HORIZON.

CITY OF SHERMAN, TX
Portfolio by Maturity
AS of 3/31/2021

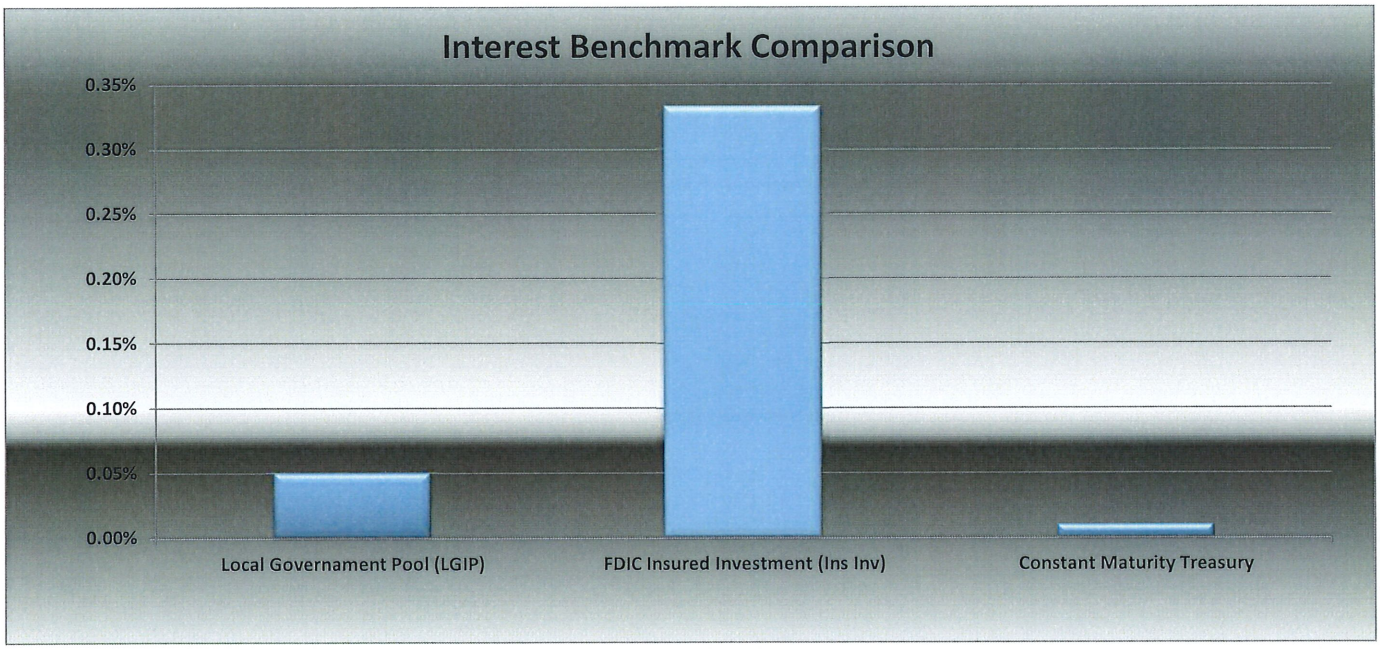
Maturity Time Frame	Balance 6/30/2020	Balance 9/30/2020	Balance 12/31/2020	Balance 3/31/2021	Percent of Portfolio	Minimum Allowable
Within 1 month	$ 17,569,451	$ 15,297,935	$ 14,101,336	$ 12,875,164	100.00%	100.00%
	$ 17,569,451	**$ 15,297,935**	**$ 14,101,336**	**$ 12,875,164**		

Liquidity Indicator				
Weighted Average Maturity	**1.00**	**1.00**	**1.00**	**1.00**

Sherman
CLASSIC TOWN. BROAD HORIZON.

CITY OF SHERMAN, TX
Earned Income
AS of 3/31/2021

Date Received/ Purchased	Name	Security Description	Coupon	YTM	Interest Purchased/ Received	Accrued Interest/ Amortization	Income Earned
1/31/2021	2017 CO-Landing Rock	Insured Investment		0.35%	790	-	790
1/31/2021	2017A Stormwater CO-TexPool	LGIP		0.08%	126	-	125
1/31/2021	2019 CO-TexPool	LGIP		0.08%	645	-	645
2/28/2021	2017 CO-Landing Rock	Insured Investment		0.35%	714	-	714
2/28/2021	2017A Stormwater CO-TexPool	LGIP		0.05%	62	-	62
2/28/2021	2019 CO-TexPool	LGIP		0.05%	316	-	316
3/31/2021	2017 CO-Landing Rock	Insured Investment		0.30%	697	-	697
3/31/2021	2017A Stormwater CO-TexPool	LGIP		0.02%	30	-	30
3/31/2021	2019 CO-TexPool	LGIP		0.02%	151	-	151
					$ 3,530	**$ -**	**$ 3,530**



SHERMAN CITY COUNCIL
Agenda Communication Form

City Council Regular Meeting

Meeting Date: 04/19/2021

Approved By: Robby Hefton, City Manager

Caption:

COUNCIL CALENDAR

Issue:

Attachments

2021 Council Calendar

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
	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			

April						
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	

May						
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					

June						
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			

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
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						

November						
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				

December						
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	

	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