City Council Meeting Agenda

Our Vision: A well-planned lakeside community of quality neighborhoods, distinctive amenities, diverse employment, and cultural charm. Rowlett: THE place to live, work and play.

Tuesday, July 21, 2026 **7:00 PM** **Municipal Building – 4000 Main**

Pursuant to Texas Government Code Section 551.127, on a regular, non-emergency basis, members may attend and participate in the meeting remotely by video conference. Should that occur, a quorum of the members, including the presiding officer, will be physically present at the location noted above on this Agenda.

As authorized by Section 551.071 of the Texas Government Code, this meeting may be convened into closed Executive Session for the purpose of seeking confidential legal advice from the City Attorney on any agenda item herein.

The City of Rowlett reserves the right to reconvene, recess or realign the Regular Session or called Executive Session or order of business at any time prior to adjournment.

Process for Public Input: If you are not able to attend in person, you may complete the Public Input Form on the City's website by 3:30 p.m. the day of the meeting. All forms will be forwarded to the City Council prior to the start of the meeting.

For in-person comments, request to speak forms/instructions are available inside the door of the City Council Chambers.

Invocation

Pledges of Allegiance

1. Call to Order

2. Presentations

2.A. Update from the City Council and Management: Financial Position, Major Projects, Operational Issues, Upcoming Dates of Interest and Items of Community Interest.

3. Citizens' Input

At this time, comments will be taken from the audience on any topic. No action can be taken by the Council during Citizens' Input.

4. Consent Agenda

The following may be acted upon in one motion. A City Councilmember or a citizen may request items be removed from the Consent Agenda for individual consideration.

4.A. Consider action approving the minutes.

Consider action to approve minutes from the following City Council meeting(s): June 29, 2026, City Council Special Meeting, July 6, 2026, City Council Work Session, July 7, 2026, City Council Meeting, and July 9, 2026, City Council Special Meeting.

4.B. Consider action to designate the City's Official Newspaper.

Consider action to adopt a resolution Designating The Dallas Morning News as the Official Newspaper of the City; providing for a repealing clause; and providing for an effective date.

4.C. Consider action to authorize the purchase of nine (9) Chevrolet 1500 pickup trucks and one (1) Chevrolet Equinox from Lake Country Chevrolet.

Consider action to adopt a resolution authorizing the purchase of nine (9) Chevrolet 1500 pickup trucks and one (1) Chevrolet Equinox to replace Enterprise vehicles, from Lake Country Chevrolet, through a TIPS cooperative purchasing contract, for a total price not to exceed $445,155.77; authorizing the Interim City Manager or his designee to execute all necessary documents to effectuate said purchase; and providing an effective date.

4.D. Consider action to authorize the award of a contract for Country Aire Estates Phase 2 Reconstruction.

Consider action to adopt a resolution authorizing the award of a contract for Bid No. 2026-43-B, Country Aire Estates Phase 2 Reconstruction, to DDM Construction Corporation, for an amount not to exceed $2,779,067.50 ($2,526,425.00 plus a ten percent (10%) contingency of $252,642.50); authorizing the Mayor or his designee to execute the contract and all necessary documents to effectuate said purchase; and providing an effective date.

4.E. Consider action to authorize Change Order No. 1 to the Construction Contract for Country Aire Estates Phase 2 Reconstruction.

Consider action to adopt a resolution authorizing Change Order No. 1 to the Construction Contract with DDM Construction Corporation related to Bid No. 2026-43-B Country Aire Estates Phase 2 Reconstruction, in an amount not to exceed $165,000.00 ($150,000.00 plus a ten percent (10%) contingency of $15,000); authorizing the Mayor or his designee to execute the Change Order and all necessary documents to effectuate said purchase; and providing an effective date.

4.F. Consider action to authorize the use of eminent domain on two properties for the acquisition of Right of Way (ROW) and Easements for the Chiesa Road Widening (Dalrock Road to Miller Road) Project.

Consider action to adopt a resolution authorizing initiation of condemnation proceedings for the acquisition of Right-of-Way (ROW) and Easements on properties along the Chiesa Road Widening Project in the City of Rowlett, Dallas County, Texas.

5. Individual Consideration

5.A. Consider action to adopt parameter ordinances authorizing the issuance of General Obligation Bonds, Certificates of Obligation, Tax Notes, and Water and Sewer Revenue Bonds with the final terms to be approved by the City's pricing officers on any date until expiration of the delegated authority.

5.B. Consider action to adopt a resolution approving a Development Agreement between the City of Rowlett and Trail Creek Partners, Ltd. regarding approximately 14.87 acres of land located at 13805 Troy Road, situated in the Madison Price Survey, Abstract No. 257, Rockwall County, Texas.

5.C. Consider action to adopt a resolution appointing a board member to the Rowlett Housing Finance Corporation (HFC) for an unexpired term.

5.D. Consider action to adopt a resolution Establishing the Rowlett 75th Anniversary Task Force as an Ad Hoc Committee, Providing for its Purpose, Membership, Duties, Organization, Meetings, Staff Support, Reporting, and Sunset, and providing an effective date.

5.E. Consider action to adopt a resolution authorizing the purchase of pavement rehabilitation and resurfacing

services for Chiesa Road, from Texas Materials Group, Inc., dba TexasBit, through an Ellis County cooperative contract for a price not to exceed $647,868.12; authorizing the Mayor or his designee to execute the Construction Agreement and all necessary documents to effectuate said purchase; and providing an effective date.

Members of the City Council may request topics to be placed on an agenda for a subsequent meeting. Any deliberation or decision shall be limited to a proposal to place topic on the agenda for a subsequent meeting.

6. **Adjournment**

Deborah Sorensen

Deborah Sorensen, TRMC, MMC, City Secretary

I certify that the above notice of meeting was posted on the bulletin boards located inside and outside the doors of the Municipal Center, 4000 Main Street, Rowlett, Texas, as well as on the City's website on July 15, 2026, by 5:30 p.m.

City of Rowlett City Council meetings are available to all persons regardless of disability. If you require special assistance, contact the City Secretary at 972-412-6109 or write 4000 Main St., Rowlett, Texas, 75088, at least 48 hours in advance of meeting.

City of Rowlett ~ 4000 Main Street, Rowlett TX 75088 ~ www.rowlett.com

City of Rowlett
City Council Agenda Item

Meeting Date: 7/21/2026 **Agenda Item:** 4.A.

Title
Consider action approving the minutes.

Consider action to approve minutes from the following City Council meeting(s): June 29, 2026, City Council Special Meeting, July 6, 2026, City Council Work Session, July 7, 2026, City Council Meeting, and July 9, 2026, City Council Special Meeting.

Staff Representative
Deborah Sorensen, City Secretary

Executive Summary
Section 551.021 of the Government Code provides as follows:

(a) A governmental body shall prepare and keep minutes or make a tape recording of each open meeting of the body.

(b) The minutes must:
(1) state the subject of each deliberation; and
(2) indicate each vote, order, decisions or other action taken.

Strategic Priority and Goal(s)

Strategic Priority	Strategic Goal
GOVERN TRANSPARENTLY & INCLUSIVELY	1.8 Provide accurate and timely information to policy-makers and the public.

Background Information
N/A

Discussion
In compliance with State Law and to provide access to citizens of the business conducted by the City, minutes are generated for each public meeting of the City Council. Once approved, these minutes are then published to the website, the City's electronic document storage system and kept on permanent file in the Office of the City Secretary.

Financial/Budget Implications

N/A

Recommended Action
Move to approve minutes from the following City Council meeting(s): June 9, 2026, City Council Special Meeting, June 15, 2026, City Council Work Session, and June 16, 2026, City Council Meeting.

Attachments
1. 06.29.26 City Council Meeting Minutes
2. 07.06.26 WS Minutes
3. 07.07.26 City Council Meeting Minutes
4. 07.09.26 City Council Meeting Minutes

CITY COUNCIL MEETING MINUTES

Our Vision: A well-planned lakeside community of quality neighborhoods, distinctive amenities, diverse employment, and cultural charm. Rowlett: THE place to live, work and play.

Monday, June 29, 2026 **4:00 PM** **Community Centre Rooms A&B – 5300 Main St.**

Present: Mayor Jeff Winget, Mayor Pro Tem Mike Britton, Deputy Mayor Pro Tem John Bowers III, Councilmember Chris Kizziar, Councilmember Marvin Gibbs, Councilmember Byron Fassett, Councilmember Carter Holston.

1. CALL TO ORDER

Mayor Winget called the meeting to order at 4:01 pm.

2. Public Input

No one spoke during Public Input.

3. Opening Remarks and Review of Goals

Kristoff Bauer, Interim City Manager, stated this is to provide information, not making any decision tonight. The final proposed budget will be presented by the end of July.

4. Presentation and Discussion of Utility Rate Study

Wendy Badget, Finance Director, presented this item. The current bond rating for the Water and Sewer Revenue Bonds is AA- by both agencies. Debt coverage is a metric used in rating agency methodologies to measure the ability to cover all debt-related payments using cash flow. S&P uses a slightly different ratio in determining its rating – "All-In Debt Coverage Service Ratio (DSCR)". S&P's own All-In DSCR incorporates their recognition of fixed costs associated with purchased water from NTMWD, which we define as long-term recurring items that are debt-like, even if legally treated as operating expenses. There is a possible S&P rating downgrade based on 2025 rating call noted maintaining a drop in coverage commensurate with FY24 levels as pressuring the current AA- rating. The absorption of NTMWD rate increases by the City has reduced the All-In DSCR. Rating downgrade possible if drop in All-In DSCR is sustained. Rating downgrade possible should there be a drawdown in liquidity. The All-In DSCR is a ratio of the fiscal year's annual net income cash flow available to cover the fiscal year's debt obligations. S&P includes the NTMWD annual minimum payment as a debt obligation (~$11M for FY24, ~$12MM for FY25, ~$13MM for FY26). July 2025 Budget Strategy Meeting – Our most recent ratio was 1.13x, which was at the cusp of dropping to the next band.

The revenues and expenditures were reviewed. The cost of water increased 7% and wastewater increased 11%. There were two proposed increase scenarios provided. Scenario 1 would increase water rates for residents by 5% and commercial by 8%; wastewater rates would increase for residential by 24% and non-residential by 28%. The average monthly residential increase would be $21.00 per month. Based on this scenario, the net change of the Water & Sewer Fund budget would be $238,094, leaving the ending reserves at $17,057,916. Scenario 2 would increase water rates for residents by 5% and commercial by 8%; wastewater rates would increase for residential by 12% and non-residential by 12%. The average monthly residential increase would be $12.24 per month. Based on this scenario, the net change of the Water & Sewer Fund budget would be ($1,629,894), leaving the ending reserves at $15,189,927. The FY27 NTMWD increase is 9% and the City of Garland's (wastewater) increase is 10%.

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Ms. Badget introduced the representative from Willdan, who gave a presentation on the 2026 Water and Wastewater Rate Study. The average utility has been increasing rates 5-6% per year, a trend that is expected to continue. American Water Works Association (AWWA) forecasts that water and wastewater rates across the US will triple over the next 15 years. Rate adjustments are primarily due to reasons beyond a utility's direct control – inflation, Capital Improvement Plans, wholesale costs, etc. 30-40% of utilities charge rates that do not cover their costs. Last adjustment to the City of Rowlett's water and wastewater rates was in October 2025. Garland WW treatment rate increased 10.4% in FY26 and expected to be 10.4% in FY27. Wastewater volumes delivered to Garland are increasing much faster than system growth, causing financial stress on the utility. Together, these factors are diving the need to implement a new long-term rate plan. The Current Rate Structure of water and wastewater was reviewed.

The water and wastewater current and forecast cost of service was reviewed. Most personnel and variable operating expenses increase by 3-5% per year. Certain expenses increase faster (i.e. employee benefits); some vary due to volume and customer growth. NTMWD forecast water rates estimated to increase due to FY27 take of pay minimum decreases by 25,000,000 gallons due to "Natural Drawdown" clause in new contract. Garland WW treatment rate per 1,000 gallons increased 10.4% in FY26 and in FY27. Wastewater volumes delivered to Garland are estimated to increase by 300,000 gallons in FY2026 and 250,000 gallons in FY 2027, causing significantly higher payments. The City issues $7million in additional debt annually to fund ongoing CIP needs.

The proposed rate plans were presented. In Scenario 1, all excess I/I paid by rates. Maintains existing water and wastewater rate structure. Uniform percentage adjustments for base and volume charges. Higher increase for non-residential. Wastewater requires higher adjustments to recover Garland WW treatment costs. No fund balance drawdown in FY27-36. This scenario pays Garland WW charges in-full using annual rate revenue. Project team recommends the adoption of a 2-year plan because of significant uncertainty over future water use and Garland I/I. If I/I is not corrected, rate plan will require revision. This scenario protects the bond rating.

In Scenario 2, ½ excess I/I paid with reserves. The water rates are the same as Scenario 1. The City uses Utility Reserve drawdown to pay ~ ½ excess 550 million gallons was I/I sent to Garland WWTP. It requires fund balance drawdown in FY27 of +/-$1.6million. It assumes excess I/I will be eliminated by start of FY28. The City sends effluent to Garland that included excess I/I in FY26 (300M gal.) and an addition increase of I/I (250M gal.) in FY27.

Councilmember Holston requested a quarterly update on the rates and I/I issue. Mayor Winget asked if there was a Scenario 3 that covers I/I over a few years. There was discussion regarding the I/I team and it not being funded. Mr. Bauer stated that deferred maintenance has cost the infrastructure issues/problems. Councilmember Gibbs asked if we could take the reserves from the general fund and cover the rate increases until we get the I/I under control in FY28. Mr. Bauer advised against using tax dollars to subsidize the utility fund. Councilmember Holston asked about the issues of the meters not properly reading. That is being resolved. He asked about increasing commercial more than residential rates. That is included in the scenarios.

Mr. Bauer stated he got the impression that City Council is a no to Scenario 1. He asked what other options City Council wants staff to look at. Mayor Winget stated residential vs. commercial rates and getting the I/I under control. Councilmember Kizziar asked about senior living facilities rates. They are the same as multi-family rates. Deputy Mayor Pro Tem Bowers III asked about looking at sewer rates based on the meter size. Sewer does not have meters. Mayor Winget asked to keep both scenarios and to get four (4) more scenarios.

5. Boards & Commissions Presentations for Funding and Discussion of Same

Sue Hartson, Animal Shelter Advisory Board presented this item. The FY26 budget is $2,250, of which $1,123.48 has been spent. The Board is requesting $1,200 for the FY27 budget. The request is $300 for Board Development and Education, $500 for resource brochures, and $400 for event decorations/themed photos. Councilmember Fassett wants the board to resubmit their budget

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request with an increase to send more people to go to training. He would like to add $1,200 to the total request for sending and addition four (4) board members for training.

Kathryn Crenshaw, Arts & Humanities Commission (AHC), presented this item. The FY26 budget is $27,436, of which $21,544 has been spent. The Commission is requesting $35,586 for the FY27 budget. They are requesting $4,000 for Cultural Art Grants, which is an increase of $1,000, from last year due to larger number of applicants. $6,000 is being requested for Art in Education Grants, which is also an increase of $1,000 due to increase in supply costs for schools. $1,700 is requested for Young Artis Exhibits, no increase from last year. $3,000 is requested for Writing Contest, which is an increase of $400 for judging fees due to additional entries. $1,200 is being requested for Photography Contest, no increase from last year. $10,000 is requested for Rowlett Sings, which is a $5,000 increase from last year due to cost of venue. $1,000 is requested for Rowlett Artist Exchange, $250 increase due to popularity of program. $2,000 is requested for Publicity, which is $500 increase due to greater AHC presence at City events. $3,000 is requested for the complimentary Calendar printed each year, no increase from last year. $150 for Trombone Thanksgiving, no increase from last year. $2,000 for SHINE initiative, no increase from last year. $1,536 for supplies, i.e. ribbons, badges, polos, and office supplies, no increase from last year.

Mayor Pro Tem Britton asked if it would be possible to have Rowlett Sings in July and have it at the high school auditorium. Ms. Crenshaw stated that they were unable to book the high school auditorium. He also asked why not other churches. The previous administration said no to churches. Councilmember Fassett asked about the history of the $4,000 in Cultural Arts Grant. It is money that stays in Rowlett that helps the performing arts. Councilmember Fassett stated that he would like to see it more for after-school programs rather than for teachers buying art supplies. Garland ISD should be handling that. Councilmember Kizziar asked if the same teachers are applying for the Garland Education Foundation (GEF) fund grants. That is not on the application. Mayor Winget stated that the % increase is too large. He proposed $28,000 for the total budget.

Andrew Espinoza, Community Development Assistant Director/Chief Building Official, presented this item, on behalf of the Board of Adjustment. The FY26 budget is $1,000 for training and food budget (for exceptionally long meetings). There is no change being requested. Councilmember Holston asked how many times this board met. Then have met three (3) times. They only meet if there is an application for a variance.

Mayor Winget presented this item on behalf of the Community Organizations Active in Disaster (COAD). The FY26 budget is $7,500 and is requesting the same amount for FY27. This was started during the 2015 tornado. Councilmember Fassett asked if it was still active. They have been dormant. Councilmember Fassett asked if it should be folded into the CERT Team. Mayor Winget stated that this was formed by the City of Rowlett and the CERT Team, which is a 501(c)3 and has its own board of directors. The Emergency Management Coordinator is over this board, and they have not met. Mayor Winget stated that he would reduce the budget to $2,500.

Mailinh Nguyen, Economic Development Assistant Director, presented this item on behalf of the Economic Development Advisory Board (EDAB). EDAB has spent $314.35 year to date. They are requesting $600 for FY27 budget; $100 for meeting supplies, $50 for recognition awards, and $450 for food.

Brad Marshall, Golf Advisory Board, presented this item. The mission and goals were reviewed. The FY26 budget is $50,000, with a request of $51,999.73 for FY27 budget. A request of $20,000 is the estimated cost for GPS Shield units for new golf cart lease in 2027. American Golf covers the cost of the lease. This will help protect the turf, enforce cart path rules, and reduce staff intervention. A request of $32,000 is for electrical setup and to install a pump to improve aeration to keep pond healthy and clean. This is the last remaining pond without a fountain. This is a tool for maintaining both aesthetics and water quality for pond ecosystems.

Mayor Winget appreciates this board and how involved they are with the golf course. Councilmember Holston recommended not to do the fountain and repair the golf cart area/path.

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We need to maintain the fountains already have. Mayor Pro Tem Britton confirmed that the driving range will be completed this fiscal year. Councilmember Gibbs stated he's good with the board giving City Council advice and we need to do the fountain.

Laura Tschoerner, Library Advisory Board, presented this item. The FY26 budget is $1,000 and the request for FY27 budget remains the same. They will continue to visit neighboring libraries. Deputy Mayor Pro Tem Bowers III stated he supports this board and budget. Councilmember Holston and Gibbs gave kudos to this board. This is a great board and are very active.

John Cote, Planning & Zoning Commission, presented this item. The FY26 budget is $15,000, of which $703.00 has been spent. They are requesting $15,000, the same budget as FY26. Most of the budget is for training. Mayor Winget wants to make sure that this board gets training and memberships to the APA. Councilmember Fassett asked if it would be better to send 2 to 3 to different conferences and have them return and train everyone else, instead of sending all 7 members. Councilmember Gibbs stated that he feels all 7 should go. Everyone hears something different. It would also cause them to have more meetings to be trained. Councilmember Holston thanked the Commission for the tough work they are doing.

Wayne Baxter, Parks & Recreation Advisory Board, presented this item. The mission and goals were reviewed. The FY26 budget is $4,000, of which $1,570.08 has been spent. They are requesting $3,000 for FY27 budget; $1,150 for event supplies/community participation, $800 for special dedications/supplies and light refreshments, $500 for Parks & Recreation events/programs marketing, $300 for new board member supplies, and $250 for City of Rowlett Parks familiarization tour. Councilmember Fassett wants to make sure that this board isn't asking for enough money. Councilmember Gibbs feels that the budget should stay at $4,000 instead of $3,000 they are asking for. Mayor Winget is supportive of the $4,000.

Pam Bell, Senior Advisory Board, presented this item. The mission and goals were reviewed. The FY26 budget is $2,370, of which $1,377.05 has been spent. They are requesting $2,400 for FY27 budget; $1,400 for educational seminars/resource fair for seniors, $650 for communication and visibility, and $350 for new member shirts, badges, recognition. Mayor Winget requested the board add another Senior Friendly Business. He suggested making the budget $2,500. Mayor Pro Tem Britton agreed.

Erin Mudry, Recreation Supervisor, presented this item on behalf of the Youth Advisory Council. The mission and goals were reviewed. The FY26 budget is $6,000, of which $1,166.04 has been spent. They are requesting $5,550 for FY27 budget; $4,000 for Youth Summit, $500 for Rowlett Trunk or Treat, $500 for special events, $200 for new member shirts, $300 for orientation boot camp, and $50 for last meeting celebration/recognition. Deputy Mayor Pro Tem Bowers III stated that all the members were seniors, so will have all new members this next year.

Mayor Winget recessed the meeting for a dinner break at 7:16 pm. Mayor Winget reconvened the meeting at 7:30 pm.

6. Presentation and Discussion of Refuse Rate

Tara Lopez, Finance Assistant Director, presented this item. The City awarded a 7-year contract to Republic Services beginning October 1, 2024. The contract provides for a rate increase of up to 5% annually. Adjustments are based on changes in the Consumer Price Index (CPI) for water, sewer, and trash collection service. FY26 CPI Adjustment is 4.98% and is 4.91% for FY27. There is a 3.5% increase to residential customers and a 5% increase to commercial customers. This reflects an increase of $0.78 per month for residential customers. Refuse Fund model for FY27 was presented. Revenues and Expenses for FY27 are projected to be $8.9 million which is an increase of $547K from FY26 Adopted Budget for both revenues and expenses. This increase is a result of a growing number of customers along with the contractual rate increase. Councilmember Holston asked how staff determined the rate increases for residential and commercial customers. The models were used to break even.

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7. Presentation and Discussion of Department Supplemental Requests

Chief Mike Denning, Police Chief, gave a presentation. He is requesting a Quartermaster going from part-time to full-time. The current responsibilities are to order, issue and track uniforms and equipment; inventory management; and manage supply levels and order as needed. The additional new responsibilities would be fleet management. He is also requesting ESInet software. This will transition Rowlett to next generation 9-1-1 (NG 9-1-1) technology. It will replace the outdated 1980's legacy infrastructure. This aligns with State NG 9-1-1 mandate (TX Health & Safety Code §771.059). The $336,000 one-time State 9-1-1 grant funds will cover the initial implementation. The initial implementation, as well as recurring costs, may be supported by grant funding through FY28. The annual recurring costs of $148,272, due to monthly re-occurring cost of $12,355.97, will require supplemental budget allocation. He is requesting 2 CID vehicles, a Chevrolet Equinox and Silverado plus related equipment. This replaces two seizure vehicles, which are experiencing an increase in costly maintenance needs, are high mileage, and have salvaged titles. The Fleet budget does not allocate funds for seized vehicles other than oil changes and tire replacements. There are five seizure vehicles that need replacing. He is only requesting two for FY27.

Gary Enna, Interim Public Works Director, presented this item. He is requesting two Maintenance II Equipment Operators out of the Drainage Fund. There is a backlog of work orders for drainage, which are critical to the effective conveyance of stormwater during heavy rainfall events. Adding staff is necessary to address these outstanding projects in a timely manner, maintain drainage infrastructure, and reduce the risk of flooding and roadway damage. Two personnel are essential for drainage operations to meet safety best practices. He is requesting a Utility Service Coordinator out of the Utility Fund. Prior to enrollment in Texas 811, the city averaged fewer than 8 locate calls per week. In the first three (3) days following enrollment, the city has averaged approximately 28 requests per day. Additional personnel are necessary to maintain compliance with required response times, reduce the risk of utility damage, and ensure continued support of daily operational responsibilities. Last, he is requesting to elevate the current full-time Facilities Technician to a Facilities Crew Leader out of the General Fund. This benefits the Facilities Department by strengthening operational efficiency and providing additional leadership. This enables the supervisor to focus on planning, scheduling, project oversight, budget management, employee development, and other administrative responsibilities critical to the department's long-term success.

Munal Mauladad, Interim Assistant City Manager, presented this item. She is requesting to add a Kennel Tech to the Animal Shelter. This allows better daily animal care. It aids in early problem detection and improved sanitation and disease control. This will allow the Animal Service Officers to respond to dispatch. This will improve animal behavior and adaptability.

Ryan Mullins, Parks & Recreation Director, presented this item. He is requesting an Assistant Parks & Recreation Director. This will help manage future growth. The department is expanding to include a Parks Maintenance division, requiring a more robust leadership structure to handle the increased workload. Currently, three (3) separate supervisors report directly to the Director. Adding more divisions would overextend a single leader; an Assistant Director rebalances this reporting structure. Having a secondary leader prevents a lapse in departmental momentum if the Director is unavailable, ensuring the department remains functional at all times. The Director can focus on technical and logistical demands, such as maintenance and administration. The Assistant Director can concentrate on community-facing initiatives, specifically leading the Rowlett Community Centre and athletic programs. The new structure allows for better oversight by splitting departmental responsibilities; Assistant Director: Primary lead for the Community Centre and Athletics and Director: Direct oversight of the Wet Zone (Aquatics), Administration, and Parks Maintenance. He is also requesting three (3) part-time Recreation Leaders. The existing staffing models leave the facility under-resourced, specifically during high-traffic periods like evenings and weekends. With only two staff members, the facility reaches a deadlock where one must remain at the front desk while the other handles physical tasks (setups, transitions, maintenance), leaving no room for surges or errors. Limited front-desk presence leads to patron backups during check-ins and program registrations. Community Centre staff contribute over 1,000 hours annually to city-wide special events, which pull essential personnel away from internal

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facility operations. A small staff pool means routine absences or illnesses trigger "emergency" scheduling crises and service gaps. Increasing the staff headcount ensures better front-desk accessibility and provides a necessary buffer to backfill shifts during unforeseen circumstances.

Rick DeOrdio, Human Resources (HR) Director, presented this item. He is requesting an HR Specialist – Recruiter. HR spends a large amount of time on hiring processes to fill many open positions. The current temporary recruiter has saved a lot of time for departments and found numerous qualified candidates, lowering turnover and days to hire. Candidates have been located using sources that HR was previously unaware of. The recruiter screens candidates and assists with interviews while training hiring managers, saving departments time. Turnover is lowering due to better candidates. March 2025 to March 2026 averaged 10 new vacancies per month. April to June had 7,5 new vacancies a month. Days to hire have been reduced from about 110 to 83.27 days.

Deborah Sorensen, City Secretary, presented this item. She is requesting a Records Clerk. They will assist with intake, tracking, and processing of public information requests. Perform records retrieval and coordination with City departments. Prepare documents for review and redaction. By adding this position, it will reduce response times and improve customer service. The job duties will also include assisting with records retention and destruction schedules. Adding a Records Clerk supports the City's goals of transparency, customer service, operational efficiency, and compliance with the Texas Public Information Act and Local Government Records Requirements. Last year, the department averaged 35 to 40 requests per month. There has been a significant increase in the number of requests received each month. The department is now averaging 70 to 75 requests per month. 97 requests were received in May. Without additional staffing, increasing request volume may result in delays, reduced efficiency, and challenges maintaining compliance with state-mandated response timelines.

Malcolm Hornsby, Communications and Community Engagement Director, presented this item. He is proposing to convert the existing utility billing insert into a full monthly newsletter distributed to all residential utility customers via direct mail. The City of Rowlett will celebrate its 75th anniversary with a landmark Diamond Jubilee event. This milestone celebration will engage the entire community and create lasting memories that honor Rowlett's heritage and future. Funds will be allocated across three primary areas; advertising, branding, and staffing. The Diamond Jubilee brand will serve as an umbrella for all City events leading up to the 75th celebration, creating a cohesive, citywide celebration narrative.

Mayor Winget recessed the meeting for a break at 9:22 pm. Mayor Winget reconvened the meeting at 9:32 pm.

8. Presentation and Discussion of All Other Funds

Wendy Badget, Finance Director, presented this item. The Debt Service Fund is funds that are received from the I&S portion of the property tax revenue for the purpose of making long-term debt and interest payments when they become due. The Other Governmental Funds are 23 separate funds used to account for the proceeds of specific revenue sources that are dedicated or legally restricted to expenditure for specific purposes. Ms. Badget gave updates on the 23 separate funds.

9. Adjournment

Mayor Winget adjourned the meeting at 10:04 pm.

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CITY COUNCIL
WORK SESSION MINUTES

Our Vision: A well-planned lakeside community of quality neighborhoods, distinctive amenities, diverse employment, and cultural charm. Rowlett: THE place to live, work and play.

Monday, July 6, 2026 **6:00 P.M.** **Municipal Building – 4000 Main**

Present: Mayor Jeff Winget, Mayor Pro Tem Mike Britton, Deputy Mayor Pro Tem John Bowers III, Councilmember Chris Kizziar, Councilmember Marvin Gibbs, Councilmember Byron Fassett, and Councilmember Carter Holston

1. CALL TO ORDER

Mayor Winget called the meeting to order at 6:00 p.m.

2. CITIZENS INPUT

1. Mark Taschek, Rowlett – There are potholes on Heritage and Warwick. Offered help for technical assistance with the lighting ordinance.

3. WORK SESSION

3A. Establish the Rowlett 75th Anniversary Celebration Task Force.

Deputy Mayor Pro Tem Bowers III presented this item. Rowlett turns 75 on September 4, 2027. Deputy Mayor Pro Tem Bowers III requested City Council to authorize a citizen volunteer 75th Anniversary Task Force to plan and execute a year-long celebration. They should be seated by September 2026 to allow a full year of lead time. The Task Force structure consists of a Council Liaison (non-voting, ex-officio), Chair and Vice Chair (elected by the Task Force at the first meeting), Staff Liaison (assigned from city management staff – non-voting), and 10 to 13 At-Large citizen members, consisting of residents, business owners, long-time residents, school representatives, and civic/non-profit organization. The Task Force should have 12 to 15 members total, appointed by City Council to serve September 2026 to November 2027. The application and appointment timeline was reviewed. The proposed six subcommittees are Events & Programming, History & Heritage, Sponsorship & Fundraising, Marketing & Communications, Logistics & Operations, and Community & Youth Engagement. Eligibility for this Task Force is aged 18 years and older, any professional background welcome, and preference of event planning, fundraising, marketing, history, and non-profit. Staff recommend City Council authorize the creation of the Rowlett 75th Anniversary Task Force as a council-appointed citizen volunteer body and direct staff to begin the application and recruitment process, with appointments finalized by the September 15, 2026, City Council meeting.

Councilmember Gibbs asked about who the staff liaison would be. Deputy Mayor Pro Tem Bowers III stated that he would rely on Kristoff Bauer, Interim City Manager, to make that decision. Mr. Bauer stated that it would be Malcolm Hornsby, Communications and Community Engagement Director, or a member of his staff. He also added that the $18,000 request for the 75th anniversary

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celebration was suggested by a previous Council Member, not staff. Staff just brought forward the request.

Mayor Winget asked if this board is an advisory to the Council or is Council giving them the authority to work with staff and plan and execute the celebration. Deputy Mayor Pro Tem Bowers III stated originally, he would like to see the Task Force work alongside the city staff in that capacity, not so much as advising Council, because this is a citizen event. So, we want to know what they want to celebrate, because that is where it is in the application question, as far as what you would like to celebrate. Mayor Winget asked Kristoff from a staff respective, how does that work. He was asked to talk about logistics of that because no other board that functions in that way truly like volunteers and employees of the city planning events and things like that. Mr. Bauer stated this is something that we want to be very clear about. He recommended to use as tool that's called a Project Charter, where Council actually defines the goal and scope, who is responsible, and the kind of outcomes we are looking for, so that they have some clarity of if Council is giving to them or delegating to them some level of authority outlined in that document. If Council is comfortable with them making some decisions about what the signature event is going to be, then you can make that clear that regarding this event, the Task Force has the responsibility to get sponsorships, funding for the event, or they are limited to making recommendations to Council. They would have to bring everything before Council and make a request, consistent with other advisory board. Mayor Winget stated that he doesn't have a problem with the Task Force working directly with staff, this would streamline some things. He just doesn't have any experience in how that works, so he's glad to hear that there's a concept about making that functional.

Councilmember Gibbs stated that when the July 4th events first started, there was a citizen/staff committee, and they formed their own organization, and they worked with the City. There were 3-day events and they went very well. He suggested reaching out to Becky Sebastien and others who were in the organization. Maybe they could give Council some insight on how they did that. Do we want to keep it as a board or keep it separate from the city so that they can solicit funds and donations to make the event better for businesses? Mayor Pro Tem Britton asked if once this gets going, would they have to come back to Council and ask for any type of approval. That is why having a Council Liaison on the task force is important. Deputy Mayor Pro Tem Bowers III stated that the Project Charter would identify that specifically. Councilmember Gibbs also suggested reaching out to Mark Enoch as well, since he was also in that organization.

Mayor Winget would like to keep this under the Council direction. Let this Task Force go and get it done, if there is a liability question or there's staff not being cooperative, or whatever the issue may be, get with the Council Liaison and bring it before Council. He is trying to streamline this as much as possible and not create bottlenecks where we are waiting for something to get approved. Deputy Mayor Pro Tem Bowers III stated that if this does become a board because Council decided to keep this going, we could amend the sunset date. Right now, it's just a Task Force, it's a pilot.

Mayor Winget stated that he will reach out to Becky Sebastien and Mark Enoch to see how the previous organization worked. He is in support in moving forward with this Task Force. Councilmember Holston stated not to forget to include the churches, like Sacred Heart, First Baptist, First Rowlett United Methodist Church, and the Senior Advisory Board. Mayor Winget suggested appointing Deputy Mayor Pro Tem Bowers III as the Council Liaison to the Task Force. Deputy Mayor Pro Tem Bowers III asked if Councilmember Kizziar would like to serve as the second Council Liaison. There is a consensus to move forward with a resolution to create the 75th Anniversary Task Force and Mr. Bauer will create a Project Charter.

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3B. Receive a presentation regarding an update of the Traffic Signal Controls Project.

Gary Enna, Interim Public Works Director, presented this item. He reviewed the background of the project. The 2024 GO Bond was for $4.1million to replace the traffic control systems monitoring and managing major intersections. There were 28 intersections along Rowlett Road, Hwy 66, Dalrock Road, Miller Road, Liberty Grove Road, and Main Street, that were scheduled to be updated. The installation and programming completion is scheduled for July 2026. Bob Dale, with CTC, reviewed the remote access. The equipment and camera have object detection, pedestrian actuation, poor visibility modes (for bad weather), mobility reports, and intersection monitoring. The Public Right-of-Way Accessibility Guidelines (PROWAG) were reviewed, and signals must be complaint when installed or altered.

Mayor Winget asked about the cameras at the intersection for the traffic signals. Mr. Dale stated that they do not record, they are strictly counting vehicles and tracking traffic flow. Mayor Winget confirmed that all the Opticom systems are working and the City of Garland has access to it. Councilmember Gibbs asked about the data. Mr. Dale stated that it is stored in the cloud. It is a cloud-based system and is a turnkey product. Mayor Winget asked about poles or cabinet getting damaged. Currently, there are two cabinets in stock and are working on getting extra poles in stock.

3C. Receive a presentation and discuss the City's organizational staffing, current vacancies, and future action plan to address open positions.

Rick DeOrdio, Human Resources Director, presented this item. The current staffing was reviewed. As of June 23, 2026, there were 48.5 vacancies. Of the 48.5 vacancies, 14 are professional vacancies and take longer to fill the position and some require external recruiters. The positions of Internal Auditor, Assistant Emergency Management Coordinator, and Graduate Engineer were discussed as to whether they should be filled or not. 34 of the vacancies are non-professional positions, which normally have shorter fill time, and internal staff recruit for these positions.

Councilmember Holston asked for the total budgeted headcount. Mr. DeOrdio stated that the total budget is 476 and 574 overall full-time and part-time. Councilmember Holston confirmed that there are 48.5 current vacancies. That equates to about 9%. Mr. DeOrdio stated that it’s going down. Councilmember Gibbs asked if we are in the same position as other cities. Mr. DeOrdio said that it depends, some cities are better and some are worse. The turnover rate you want is 8 – 10%, we are at 9% right now. Last year we were in the 20s.

Councilmember Holston stated that Public Works has about 50% of vacancies, that is a concern. Mr. DeOrdio said yes, however, we are now hiring better qualified applicants now. There was a conversation regarding the Internal Auditor, which is a Charter position but not required. Councilmember Fassett would like to see the numbers for outsourcing this position. Councilmember Holston agreed. Mr. Bauer stated that would require an RFP that will take about 60 days. Mayor Winget stated that it was not hired due to finances. Councilmember Gibbs would like a presentation defining the scope and responsibilities of the Internal Auditor. Councilmember Gibbs asked if the City’s pay was competitive. Mr. DeOrdio stated for the most part we are. Mayor Winget stated that the HR team has done a great job reducing turnover and hiring a lot of positions. Councilmember Holston stated that he is happy to see the data.

Mayor Winget recessed the meeting for a break at 8:05 pm.

Mayor Winget reconvened the meeting at 8:16 pm.

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3D. Receive a presentation regarding proposed amendments to the Rowlett Development Code (RDC) and Form Based Code (FBC) regarding requirements for a Special Use Permit for Data Centers.

Munal Mauladad, Interim Assistant City Manager, presented this item. The purpose is to discuss the process for requiring a Special Use Permit (SUP) for Data Centers in specific zoning districts contained within the Form Based Code (FBC) and the Rowlett Development Code (RDC) due to a rise in this land use. North Texas rises to become one of the top US Data Center Markets. DFW is a top five market for Data Centers. Currently the RDC nor the FBC specifically define a Data Center. Staff recommend that Data Centers be codified in the development codes and only permitted with the approval of a SUP. The definition and land use requirements of the Cities of Garland, Irving, Lewisville, Denton, and Plano were reviewed.

Multiple sections in both the RDC and FBC zoning codes would have to be amended to create SUP provision for Data Centers. The proposed definition is "*Data center. A facility, building, campus, portion of a building, or group of buildings used primarily to house, operate, manage, process, store, transmit, mine, support, or maintain computer servers, digital data systems, cloud computing systems, artificial intelligence computing systems, telecommunications equipment, blockchain systems, cryptocurrency mining systems, colocation systems, or similar digital infrastructure."* The Table of Permitted Land Uses is only to be permitted with a SUP in the Light Manufacturing (M-1) and General Manufacturing (M-2) Districts of the RDC and Commercial Center (CC) District of the FBC. The proposed development requirements consists of Noise and Vibration, sound-absorptive barriers and materials, Building Heights Limitations, addressed by zoning or surrounding land use pattern and memorialized in the SUP conditions, Visual Buffers, landscaping and hardscape, Building Design, neutral non-reflective exterior finishes, and Lighting, Screening, and Visual Impacts, with no lighting, glare, visual clutter, industrial appearance, mechanical equipment exposure, security lighting, building massing, or screening deficiencies that materially interfere with residential.

The proposed Development Standards for building setbacks are not to be located within 3,000 feet of any existing residential structure, not located within 1 mile of any residential zoning district, agricultural zoning district, residential future land use area, or property designated by the City's Comprehensive Plan for residential or agricultural use, and not located within 1 mile of any school, church, daycare, park, trail, hospital, assisted living facility, public gathering place, agricultural or livestock operation or use, public facility, or any use determined by the City to require enhanced protection from noise, vibration, lighting, traffic, utility, or operational impacts. The use of best practice is water capture/closed loop system. The final proposed Development Standards are for Third Party Inspections. Owners/operators shall submit 3rd-party inspections report annually of all noise, visual, and resources used, to the City. Staff are looking for City Council consensus to proceed with the proposed ordinance and associated development conditions.

Councilmember Fassett stated the utility impact study should be required as well. Councilmember Gibbs asked if the definition covers everything. Ms. Mauladad confirmed that it does. Mayor Pro Tem Britton stated that this is the best way to protect the city. The SUP will cover the utility impact study. Councilmember Holston stated that you also have to think about what they leave behind when they close. They need to verify environmental checks.

Mayor Winget adjourned the meeting into Executive Session pursuant to §551.071 (Consultation with Attorney) at 8:41 pm.

Mayor Winget reconvened the meeting at 8:53 pm.

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There is a consensus to move forward with the proposed amendments.

4. EXECUTIVE SESSION

4A. The City Council will convene into Closed, Executive Session pursuant to Texas Government Code, §551.087 (Deliberations Regarding Economic Development Negotiations) and §551.071 (Consultation with Attorney) to discuss or deliberate regarding a proposed Development Agreement for the Trails at Cottonwood Creek development.

4B. The City Council will convene into Closed, Executive Session pursuant to Texas Government Code, §551.072 (Deliberations Regarding Real Property) and §551.071 (Consultation with Attorney) to discuss or deliberate regarding Right-of-Way Acquisition of six properties pertaining to Chiesa Road.

4C. The City Council shall convene into closed, executive session pursuant to Texas Government Code, §551.074 (Personnel Matters) to deliberate the appointment, employment, evaluation, reassignment, duties, discipline, or dismissal of a public officer or employee, to wit: Interim City Manager.

Mayor Winget adjourned the meeting into Executive Session at 8:56 pm.

5. RECONVENE INTO OPEN SESSION AND TAKE ANY NECESSARY OR APPROPRIATE ACTION ON CLOSED/EXECUTIVE SESSION MATTERS

Mayor Winget reconvened the meeting at 10:54 pm.

Mayor Winget stated the City Council has concluded its executive session with no action taken.

6. DISCUSS CONSENT AGENDA ITEMS FOR JULY 7, 2026, CITY COUNCIL MEETING

Councilmember Gibbs requested to have a presentation for agenda item 4B.

7. ADJOURNMENT

Mayor Winget adjourned the meeting at 10:54 pm.

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CITY COUNCIL MEETING MINUTES

Our Vision: A well-planned lakeside community of quality neighborhoods, distinctive amenities, diverse employment, and cultural charm. Rowlett: THE place to live, work and play.

Tuesday, July 7, 2026 **7:00 P.M.** **Municipal Building – 4000 Main**

Present: Mayor Jeff Winget, Mayor Pro Tem Mike Britton, Deputy Mayor Pro Tem John Bowers III, Councilmember Chris Kizziar, Councilmember Marvin Gibbs, Councilmember Byron Fassett, and Councilmember Carter Holston

INVOCATION

The invocation was led by Rev. Melissa Nelms, First Rowlett United Methodist Church

PLEDGES OF ALLEGIANCE

The Pledges of Allegiance were led by the City Council.

1. CALL TO ORDER

Mayor Winget called the meeting to order at 7:02 p.m.

2. PRESENTATIONS

2A. Presentation of Rowlett Centenarian Recognition and Proclamation for Mrs. Marjorie Montgomery.

Mayor Pro Tem Britton presented the Proclamation to Mrs. Marjorie Montgomery.

2B. Presentation of Rowlett Veterans Recognition Program Certificate to Veteran, Chief Hospital Corpsman Karl VanLeeuwen, of the United States Navy.

Mayor Winget, Alexis Culpepper, of Veterans Resource & Outreach Center of Rowlett, and representative of Quilts of Valor, presented Chief Hospital Corpsman Karl VanLeeuwen with a certificate from City Council and a quilt.

2C. Presentation of Proclamation recognizing July as National Parks and Recreation Month.

Councilmember Gibbs presented the proclamation recognizing July as National Parks and Recreation Month.

2D. Presentation of the State of the City Video.

Mayor Winget presented the State of the City Video.

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2E. Update from the City Council and Management: Financial Position, Major Projects, Operational Issues, Upcoming Dates of Interest and Items of Community Interest.

Councilmember Holston, provided the following announcements:

COMMUNICATIONS AND COMMUNITY ENGAGEMENT - *Fireworks on Main* once again brought our community together for an unforgettable Independence Day celebration. Thousands of residents and visitors enjoyed live music, family activities, food vendors and a spectacular fireworks display as Rowlett celebrated our nation's birthday together. Thank you to our staff, volunteers, public safety personnel, sponsors and community partners who helped make this signature event a success.

Residents are invited to participate in the upcoming Merritt Road Interconnector public meeting tomorrow, Wednesday, July 8. This meeting provides an opportunity to review environmental findings, engineering plans and project details, ask questions, and share feedback as the project moves through the federal review process. A virtual presentation begins at 5 p.m., followed by an in-person open house from 6–8 p.m. at the Rowlett Community Centre. Written comments will be accepted through July 23.

LIBRARY - It's still not too late to join the Library's Summer Reading Challenge to earn tickets for grand prize drawings like a Kindle Fire, a Toniebox, or a junior paleontologist prize package. To celebrate the nation's 250th birthday, the Library has a special weekly prize drawing for an American flag along with scavenger hunt of historic Americans.

The Arts & Humanities Commission sponsors an annual Photography Contest featuring photos taken in Rowlett in the past year. Visit Rowlett.com/Photography for the entry form and complete contest rules. Photo submissions will be accepted on August 7 and 8.

Rowlett Sings returns on Saturday, August 29 with a chance to win $200. To enter the contest, submit a video of yourself singing before August 8. Visit Rowlett.com/RowlettSings for entry form and complete contest details.

POLICE - The Rowlett Police Department's fifth **Women's Safety Course** begins Tuesday, July 14. The application deadline is 4 p.m. Thursday, July 9. Applications may be requested by contacting Officer Erick Mitchell at emitchell@rowlett.com.

Course schedule:

Tuesday, July 14, 1 to 3 p.m. – General Safety and Law Knowledge

Thursday, July 16, 1 to 3 p.m. – Crime Prevention, Scams and Dating Safety

Tuesday, July 21, 1 to 3 p.m. – Basic Self-Defense. This date may change to Tuesday, July 28.

Thursday, July 23, 1 to 3 p.m. – CRASE and 8 Best Handguns for Women

Wednesday, July 29, 8 to 11 a.m. – Range Day

The Rowlett Police Department also invites the community to **Brew with the Blue** from 8:30 to 9:30 a.m. Saturday, July 25, at The Village Coffee by Altara, 4113 Main St.

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Residents are encouraged to stop by, enjoy a cup of coffee and visit with members of their local police department.

Councilmember Fassett introduced the Featured Pet, Espresso, words cannot expresso how much this girl will boost your mood. This sweet soul is waiting to find her fur-ever soulmate to express her unwavering love to and who will take her on a nice stroll. To meet Espresso or one of her companions, please contact Animal Services at 972-412-6219 or come by the Shelter at 4402 Industrial St. from 10 am to 5 pm, Tuesday through Saturday. Look who smiled their way right into someone's heart! Katy has found her perfect match and has been adopted!

3. CITIZENS INPUT

1. Dave Holl, Rowlett – The City failed to manage Paddle Point Park safely.
2. Josh Hablinski, Rowlett – Spoke regarding Flock Cameras. He is a veteran and a Cybersecurity Engineer. Has concerns about the cybersecurity of Flock Cameras.
3. Les Carroll, Rowlett – He is a 9-year resident. Spoke regarding Flock Cameras. This is a violation of Civil Rights.
4. Ron Manns, Rowlett – Spoke regarding fireworks across Rowlett. Neighbors are using fireworks creating a hazard. The police never showed up when called. Received a text message from police department apologizing for the delay.
5. Margie Manns, Rowlett – Spoke regarding the Lake Bend Estates Screening Wall. The wall is still ugly. It is time to rebuild the wall. Make Rowlett beautiful again.
6. Denise Eljoohi, Rowlett – Spoke regarding 6602 Warwick code violations and illegal structure.
7. Hasan Eljoohi, Rowlett – Spoke regarding 6602 Warwick illegal structure.
8. Myranda Congi, Rowlett – Spoke regarding Sensory Tent Pals. They served 17 families at the Fireworks on Main event. Would like a MOU with the City.
9. Laura Khalil, Rowlett – Spoke regarding a police matter. She wants to speak with the Chief of Police because she put her wet money on her back porch to dry. The wind blew the money into the front yard and neighbors' yards. The neighbors stole the money, and she has video and audio to prove it, however the police are not doing anything.
10. Tamara Hess, Rowlett – Spoke regarding Lake Bend Estates Screening Wall not being repaired.
11. Shannon Bandle, Rowlett – Spoke regarding Lake Bend Estates Screening Wall not being repaired.
12. Patrick Bandle, Rowlett – Spoke regarding Lake Bend Estates Screening Wall not being repaired. The City is failing its residents.
13. Mark Molloy, Rowlett – Spoke regarding a couple of issues along Hwy 66. There is a third through lane heading east on Hwy 66 that ends in front of Whataburger. You must merge left but there is no signage and people are hitting the curb or causing an accident. Suggested putting arrows on the street to merge left and putting up a sign that lane ends merge left. The traffic signal at Scenic and Hwy 66 need to fix the left turn signal.

    Mayor Winget directed the Interim City Manager provide weekly written updates to City Council regarding the Lake Bend Estates Screening Wall.

4. CONSENT AGENDA

Agenda item 4B was removed from the Consent Agenda to be considered individually.

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4A. Consider action approving the minutes.

Consider action to approve minutes from the following City Council meeting(s): June 9, 2026, City Council Special Meeting, June 15, 2026, City Council Work Session, and June 16, 2026, City Council Meeting.

This item was approved on the Consent Agenda.

A motion was made by Mayor Pro Tem Britton, seconded by Councilmember Gibbs, to approve the minutes. Motion passed 7-0.

4B. Consider action approving a funding agreement with the Rowlett Citizens Corps Council (RCCC).

Consider action to adopt a resolution authorizing a funding agreement between the City of Rowlett and the Rowlett Citizens Corps Council (RCCC) in an amount not to exceed $100,000.00; authorizing the Interim City Manager or his designee to execute the agreement and all necessary and related documents; and providing an effective date.

Mitchell Randles, Interim Fire Chief, presented this item. The background of RCCC was given. The six affiliated programs of RCCC are Rowlett CERT, Explorer Post One, Rowlett Fire Corps, Rowlett ARES, Boy Scouts Troup 646, and East Texas CERT. The primary use of City funding is maintenance and upkeep of the RCCC facility located at 5100 Dalrock Road Old Fire Station #2. Payments and upkeep of RCCC rolling stock, consisting of trucks and equipment trailers, and UTVs. It also allows purchase of supplies and operation needs, like first aid and rehabilitation supplies. Funding also pays for training for volunteers.

Councilmember Gibbs stated he wanted the citizens to know who this organization is. He appreciates what they do. There will be CERT classes on the first 2 Saturdays in August.

A motion was made by Councilmember Gibbs, seconded by Deputy Mayor Pro Tem Bowers III, to adopt a resolution authorizing a funding agreement between the City of Rowlett and the Rowlett Citizens Corps Council (RCCC) in an amount not to exceed $100,000.00; authorizing the Interim City Manager or his designee to execute the agreement and all necessary and related documents; and providing an effective date. Motion passed 7-0.

This item was approved as RES-26-07-57R

5. INDIVIDUAL CONSIDERATION

5A. Consider action to adopt an ordinance amending the Code of Ordinances by amending Chapter 2 "Administration", Article II "Boards, Committees, Commissions", by adding a new Division 12 "Downtown Advisory Board".

Mayor Winget presented this item. This was discussed in a previous work session. This proposed board will be made up of 5 voting members, 2 alternate members, 2 ex-officio members of both DART, or appointed by DART, and Rowlett Chamber of Commerce, and two Council Liaisons, Councilmember Kizziar and Councilmember Fassett. We would begin recruiting for these positions

just as soon as possible. Councilmember Kizziar asked if there were going to be any stipulations about who applies, is there going to be any expectations as to who will apply. Mayor Winget stated voting members and alternate members should possess one or more of the following, own property or a business in Downtown Rowlett, reside in Downtown Rowlett, be in economic development real estate or mobility planning professional, and to have an expertise or strong background in arts and culture. The city is looking for people who have a passion and interest in furthering the Downtown District and Downtown Strategic Plan and bringing that to fruition. Right now, the board would consist of 11 members.

A motion was made by Mayor Pro Tem Britton, seconded by Councilmember Gibbs, to adopt an ordinance amending the Code of Ordinances by amending Chapter 2 "Administration", Article II "Boards, Committees, Commissions", by adding a new Division 12 "Downtown Advisory Board".

This item was approved as ORD-26-07-19.

5B. Consider action to adopt a resolution amending the City's Boards and Commissions Handbook by adding the *Downtown Advisory Board*.

Mayor Winget presented this item. Mayor Winget reviewed a few other changes made to the Boards and Commissions Handbook.

A motion was made by Deputy Mayor Pro Tem Bowers III, seconded by Mayor Pro Tem Britton, to adopt a resolution amending the City's Boards and Commissions Handbook by adding the *Downtown Advisory Board* and to amend the Council Liaisons to be Councilmember Kizziar and Councilmember Fassett. Motion passed 7-0.

This item was approved as RES-26-07-58R.

MEMBERS OF THE CITY COUNCIL MAY REQUEST TOPICS TO BE PLACED ON AN AGENDA FOR A SUBSEQUENT MEETING. ANY DELIBERATION OR DECISION SHALL BE LIMITED TO A PROPOSAL TO PLACE TOPIC ON THE AGENDA FOR A SUBSEQUENT MEETING.

Mayor Pro Tem Britton requested an update to the Municipal Complex site search, seconded by Councilmember Gibbs.

6. ADJOURNMENT

Mayor Winget adjourned the meeting at 9:09 pm.

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CITY COUNCIL MEETING MINUTES

Our Vision: A well-planned lakeside community of quality neighborhoods, distinctive amenities, diverse employment, and cultural charm. Rowlett: THE place to live, work and play.

Thursday, July 9, 2026 **3:00 PM** **Community Centre Rooms A&B – 5300 Main St.**

Present: Mayor Jeff Winget, Mayor Pro Tem Mike Britton, Deputy Mayor Pro Tem John Bowers III, Councilmember Chris Kizziar, Councilmember Marvin Gibbs, Councilmember Byron Fassett, Councilmember Carter Holston.

1. CALL TO ORDER

Mayor Winget called the meeting to order at 3:02 pm.

2. Citizens' Input

No one spoke during Citizens' Input.

3. Presentation and Discussion of Debt Plan.

Michael Kuhn, Finance Director, presented this item. The sources of repayment, which are Interest and Sinking (I&S) and Utility Fund, were recapped. Rowlett has a 3-year debt strategy plan. The 3-year debt plan incorporates Certificate of Obligation (CO) and Tax Notes. The 2023 and 2024 bond elections, as well as the CO projects were reviewed. Staff is proposing to issue a CO in the amount of $5.2 million this year. This request will go before City Council for approval on July 21, 2026. The Tax Notes projects were reviewed as well. The debt capacity for 2027-2026 is a debt cycle of $22.2 million with $17.5 million net of vehicle and equipment needs. The total debt capacity through 2032 of $41.4 million, with $30.0 million net of vehicle and equipment needs. The assumptions are no change to the existing I&S rate of $0.269050. This accounts for a 2% annual growth rate, which is very conservative. The Water and Sewer Projects were reviewed. The debt strategy is to fund $7 million of annual capital infrastructure expansion and improvements, strategy smooths out the costs of managing the water and sewer system. The annual debt issuances are programmatically included in the water and sewer rate studies and study updates.

Mayor Pro Tem Britton asked if there are more projects, can the city afford to do them. Mr. Kuhn stated yes because the growth rate is very conservative. Councilmember Gibbs is concerned about the Coyle House. That will be discussed in the CIP Projects. Mayor Winget stated that he wants to re-prioritize the CIP projects.

4. Presentation and Discussion of Capital Improvement Plan (CIP) Projects

Ryan Mullins, Parks & Recreation Director, presented the Parks CIP Projects in priority order. The first priority is the Rowlett Community Centre. The scope is to repair, replace, and enhance the facility. Additional funds are needed to complete this project. Currently, there is $1,585,400 funding with the estimated costs to be $5,000,000, leaving a funding gap of $3,339,600. Mr. Mullins reviewed the proposed funding options which would come from other projects, parking lots, kayak docks, lakefront at Pecan Grove, and the hockey rink. The total funding options are $3,186,087, leaving a potential funding gap of $171,513.

The next priority is the Community Park Master Plan. The Community Park scope items have been completed except for the second park entrance, restroom renovations, replacement of playground structures, and dog park. The fund balance is $349,450. Staff is recommending having a

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Community Park Master Plan for Improvements in the amount of $250,000. Mayor Winget confirmed that the Community Park Master Plan has not been funded. Councilmember Holston confirmed that City Council must approve the Community Park Master Plan funding before moving forward. Mayor Winget asked why the cost is so high. Kristoff Bauer, Interim City Manager, stated that this needs to be done by professionals and not staff. Councilmember Holston stated the playground area at Community Park is atrocious and needs to be updated now. Mayor Winget stated this is a crowning jewel of the City. More than just Waterview residents use this park. A lot of associations use this Park, and a second entrance is needed. Councilmember Holston stated that safety is a top priority; the flooring of the playground and canopy need to be replaced immediately. Mr. Mullins stated that the canopy has already been ordered.

The next priority is Herfurth Park. The scope of this project is a phased project to include an events space, bandstand, food truck space, agility course and walking trail. Phase 1 has been completed, Phase 2 and 3 have not started. The funding balance from the 2018 and 2024 GO Bonds is $5,192,059. Staff is proposing to Remaster Plan the Park and complete in phased approach. Mayor Winget stated he wants the hockey rink to remain at Herfurth Park. This park needs some TLC. Mr. Mullins stated that this vision for this park is to be a destination park. Councilmember Holston asked if we want a parking lot and hockey rink as the entrance to this park. Councilmember Fassett stated he wants the hockey rink to stay at Herfurth Park. Councilmember Fassett wants this project to be moved to priority number 1. Mayor Winget stated he disagrees; the Rowlett Community Centre needs to be number 1. Councilmember Fassett agreed. Mayor Winget stated to move Herfurth Park to number 2.

The next priority is the Parks Maintenance Facility located at Industrial by the President George Bush Turnpike (PGBT). The current location is not large enough. Looking to moving to Community Park. Mayor Winget asked if they had looked at the lot next to Fire Station #2 on Schrade Road. Mr. Mullins stated that they have but does not know if it is feasible or not. Mr. Bauer stated that he is not comfortable with it moving to Community Park, they will keep looking. Mayor Winget stated this needs to be as soon as possible. Councilmember Gibbs has agreed to move it to Community Park. Sale the current location and get it back on the tax rolls. Mr. Bauer stated that they are looking to moving the studio to current Parks Maintenance Facility location. There is a consensus to move the Parks Maintenance Facility to Community Park. Councilmember Holston disagrees and wants the Schrade location to be considered. Councilmember Fassett stated that he would also like to see what can be done at the Schrade location. Deputy Mayor Pro Tem Bowers III is leaning towards moving to Community Park but would want to look at the Schrade location options.

The next priority is Lakeside Park and Paddle Point Park. The remaining items left for this project are the lighting and camera installation. This will be completed in the fall of this year.

The next priority is Kayak Docks/Launches. Originally the scope of this project was to have kayak launces for Lakeside Park, Sunset Park, and Columbia Park. The kayak launches are not feasible for these areas currently. The funding is $500,000 from the 2024 GO Bond. Staff is proposing to spend $150,000 to replace the kayak dock at Paddle Point Park and reallocate $350,000 to Rowlett Community Centre project.

The next priority is Kids Kingdom Improvements. This project is complete with a funding balance of $57,189. Staff is recommending putting new surface under picnic tables by using decomposed granite. Mayor Winget stated to move this up to Quarter 2 of FY27. Councilmember Holston requested to add more seating inside Kids Kingdom.

The next priority is Springfield Park. The only item left in this project is erosion control. It is in a flood zone and floods when it rains. There was discussion as to what can and cannot be done in a flood zone area.

The next priority is Park Lot Improvements at Parks. The funding is $1,808,000 from the 2024 GO Bond. Staff recommend retaining $400,000 for airfield parking lot and drive improvements and to reappropriate $1,408,000 towards Rowlett Community Centre project.

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The next priority is Twin Star Park. Everything except for the Basketball Court has been completed. There is a fund balance of $200,600. There was discussion about doing a half basketball court instead of a full basketball court. Staff recommend engaging the neighborhood for input.

The next priority is Lakefront at Pecan Grove. There are accessibility issues with the railroad underpass. Staff proposes to master plan park and entrance improvements and reappropriate $1,000,000 towards Rowlett Community Centre project. Councilmember Fassett stated that this needs to be done eventually. Councilmember Gibbs stated need to look at opening the park back up. There used to be a road that ran along the soccer fields there. Councilmember Holston stated that we need to activate the lake there. Councilmember Fassett stated we need to start making this a priority.

Mayor Winget recessed the meeting for a break at 5:05 pm.

Mayor Winget reconvened the meeting at 5:20 pm.

The next priority is Shorewood Park. This is for parking lot improvements, playground replacement, and irrigation for a fund balance of $400,000 from the 2026 CO Bond. This is a future project not started.

Account SP2150 – Erosion control was discussed next. This is an ongoing process of cleaning up shorelines around the lake. Mayor Winget stated to bring back the Scenic Bridge project. Account PK2121 – Trail Construction's current funding is -$2,621. The Schrade Trail falls under the Schrade Road project alignment. Account PK2125/PK2129 – Park Improvements was reviewed. The scope is for improvements and repairs to various parks. The fund balance is $257,873. This is an on-going as needed for repairs and upgrades to various park sites. The shade structure is being replaced at Isaac Scruggs Park. Mayor Winget confirmed that there wasn't any lighting at this park and requested to get it on the list. Account PK2130-Parks Master Plan was reviewed. The scope is for a five-year update to the 2018 Parks, Recreation, and Trails Master Plan. An update draft was completed in 2023. The review and approval process was paused due to pending changes with Herfurth Park. There is a fund balance of -$289, which is a capital fund.

The last item is Account 2126 – Hockey Rink Relocation. This project is paused with a fund balance of $410,087. Staff is recommended to move the funds to the Rowlett Community Centre project. Councilmember Kizziar stated that this has been the staple of this community and needs to stay at Herfurth Park. He is not in favor of moving the money. Councilmember Gibbs supports keeping the rink at Herfurth Park. Mayor Pro Tem Britton asked if it needed any improvements. Mr. Mullins stated that it could use some ancillary improvements. Mr. Bauer stated that if you move the hockey rink further back into the park, it will cost more than $400,000 in the fund balance. He suggested to do a Master Plan that would allow for the $5million project. Mayor Pro Tem Britton agrees with having a community engagement meeting regarding Herfurth Park and moving the money to the Rowlett Community Centre. Councilmember Fassett doesn't think that it is a problem to move the money to the Community Centre because moving the rink is off the table. Councilmember Kizziar stated that if Council agrees to keeping the rink where it is, then he doesn't mind moving the money. There was a consensus to keep the hockey rink at Herfurth Park and use the $5.2million to move the rink within the park and to move the $410,087 to the Rowlett Community Centre project.

Mayor Winget recessed the meeting for dinner break at 6:06 pm.

Mayor Winget reconvened the meeting at 6:36 pm.

Munal Mauladad, Interim Assistant City Manager, and Gary Enna, Interim Public Works Director, presented the CIP Projects. Miller Road reconstruction project was completed June 24, 2026, with a cost of $2,805,480. 23 of the 25 Traffic Signal Cabinets have been installed. The right turn lanes 1, 2, and 3 at PGBT and Miller Road project is starting July 27, 2026. Target completion is Q4 of 2027. The total funding is $3,500,000 from the 2018 GO Bond. The estimated project cost is $2,885,801. All right-of-way (ROW) have been acquired and are doing all 3 right-turn lanes at the same time.

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Country Aire Estates Phase 2 project is scheduled to start Q3, 2026 and a completion date of Q2, 2027. Toler Business Park Phase 1 and 2.

CDBG Alley Lakecrest 2 Addition project started July 8, 2026, with a completed date of Q4 2026. The total funding of $578,308 and project cost $462,230. The funding sources are Streets & Alley Fund and CDBG.

Right Turn Lanes 4 and 5 at Rowlett Road/Hwy 66/Kenwood Drive project ran into delays. The original design was completed Q3, 2022. The ROW acquisition and utilities relocation were completed in 2023 and 2024. Revisions were made per Federal requirements Q3, 2024. The new design is scheduled to be completed in Q4, 2026. Construction start is scheduled for Q1, 2027.

Chiesa Road – South project is currently working on ROW with a completion of ROW acquisition Q1, 2027 and a start construction date of Q3, 2027.

Merritt Road Interconnector project has 90% design. TxDOT preliminary bridge layout review is scheduled Q3, 2026. TxDOT held a public meeting July 8, 2026. The ROW acquisition will start Q3, 2026. Environmental clearance is in process anticipated completion Q4, 2026. Anticipated construction starts in Q3, 2028.

CDBG Alley Reconstruction, Randi Road project. The design will start Q3, 2026 and construction will start Q4, 2026.

Miller Road & Bridge across the lake is Dallas County led project. MCIP funding requires the City to take over Small Watershed Dam O&M. The City is in the process of requesting an Interlocal Agreement with the City of Garland and Sachse regarding the Small Watershed Dam.

The wastewater projects from the Utility Fund and Revenue Bonds were reviewed. Construction just began on the Hwy 66 East Sanitary Sewer Phase 2. The target completion is Q4, 2027. The Hwy 66 West Force Main's point repair design will be completed Q4, 2026. There are cost savings of $4,000,000 due to value engineering. There will be a work session in the first part of August regarding this project. The College Park Lift Station Abandonment design was completed Q1, 2025. This was paused to address downstream impacts in Q2, 2025. 85% of sewer line is parallel with Chiesa Road. This project is being combined with the Chiesa Road – South Reconstruction project for value engineering. Easement acquisition is in process for Toler Bay 1 Lift Station. Construction to start Q4, 2026, with a completion date of Q1, 2027.

The water projects from the Utility Fund, Revenue Bonds, and Water & Sewer Impact Fees were reviewed. Rowlett Road Pump Station's completion date is Q1, 2027. Merritt Road 36" & 30" Water Line was 90% design complete Q1, 2024. Q3, 2024 an alternative waterline alignment required due to Lakeview Business District. Anticipated construction is Q1, 2031. This project is not part of the Merritt Road Interconnector.

Master Plans help plan better forecast for the future. The last Wastewater Master Plan & Condition Assessment took place in 2016. Select a consultant in Q2, 2026 and start the study Q3, 2026. The target completion is Q3, 2027. This will include a Sanitary Sewer Evaluation Study/I&I Mitigation. The last Master Thoroughfare Plan Update was done in 2015. This study starts Q3, 2026, with a completion date of Q4, 2027. The last Water/Sewer/Street Impact Fees Study was in 2019. The study is to start Q4, 2027 with a completion date of Q4, 2028. Update the Storm Drainage Master Plan to be used as a long-term guidance document for the drainage. The last master plan was 2026. The major funding rate structure was updated in 2024. The study will start Q3, 2026 with a completion date of Q3, 2027.

Mayor Winget recessed the meeting for a break at 7:21 pm.

Mayor Winget reconvened the meeting at 7:30 pm.

Street and Alley Reconstruction and Maintenance Projects were reviewed. Concrete panel

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replacement projects are Dalrock Road-Southbound, Dalrock Road-Northbound, Waterview Pkwy, and Rowlett Road. These projects were initiated to address deferred maintenance. The funding source for these projects is the CO Bond for Concrete Panel Replacement Project. There are years' worth of concrete panel replacement plans. Asphalt projects are Schrade Road, Elm Grove Road, and Garner Road. The funding source for these projects is CO Bond for Asphalt Improvements Project. There are four Alley Reconstruction projects, Davis Street, Denver Street, Marlin Trail/Bayview Drive, and Millwood Drive. The funding source is CO Bond for Street and Alley Reconstruction Project. There are 10 years' worth of Alley Reconstruction Plans.

The Special Project Update was provided. The Lake Bend Estates Screening Wall's evaluation was completed Q1, 2026. The design complete is scheduled for Q3, 2026. The relocation of ONCOR pole will take place July 2026 with easement acquisition Q3, 2026. Bid Solicitation is July 10, 2026. Construction will start Q3, 2026 with a completion date of Q1, 2027. There is a shortfall of $210,574 for this project. City Council will be provided with weekly updates on this project.

Screening Wall Rehabilitation Group A Walls consists of South Bay Estates, Kimbal Estates, and Lake Highlands. The construction is scheduled for Q2, 2027, with a completion of Q4, 2027. The potential funding source is a CO Bond. Group B Walls is to identify Screening Walls that need repair or replacement. The construction is scheduled for Q1, 2028, with a completion of Q3, 2028.

An Update was given regarding the Municipal Complex – Site Planning. The site section is scheduled for Q3, 2026 with Tier 0: 150 sites identified and Tier 1: real estate consultant will assess identified sites. Public design charettes and Council Work Sessions are also scheduled Q3, 2026. The design restart will take place Q4, 2026.

The scope of the Fire Stations 1, 3, & 4 Improvements were defined in Q2, 2026 and design will start Q3, 2026. Construction is scheduled to begin Q1, 2027.

The Lead and Copper Rule Revision (LCRR) Consulting Services Phase 3 study starts Q3, 2026. The study will be completed and submitted to TCEQ in October of 2027. The inventory list was submitted to TCEQ October of 2024.

The Downtown DART Projects of wayfinding, railroad crossing improvements, downtown activation, and pavilion were discussed. This will be done in three phases.

The Future CIP Projects were updated. The order that streets and alleys are to be repaired or reconstructed is based on the PCI and traffic count. The Future CIP Projects priority list was also reviewed. Mayor Winget requested to have a work session regarding what to do with Coyle House. Mr. Bauer stated that an architect will be needed to look at the Coyle House and do an assessment of what can be done. Councilmember Gibbs confirmed with staff that the Coyle House is scheduled to be painted. The goal is to have the painting completed, including any wood repairs by the end of this year. Ms. Mauladad stated that she will provide a revised Future CIP Projects Priority List to City Council.

Mr. Bauer recapped the remaining budget meetings. The next meeting is scheduled for Wednesday, July 15, 2026, at the EOC at Fire Station #2. The last meeting is scheduled for Friday, July 17, 2026, at City Hall.

5. Adjournment

Mayor Winget adjourned the meeting at 8:19 pm.

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City of Rowlett
City Council Agenda Item

Meeting Date: 7/21/2026 **Agenda Item:** 4.B.

Title
Consider action to designate the City's Official Newspaper.

Consider action to adopt a resolution Designating The Dallas Morning News as the Official Newspaper of the City; providing for a repealing clause; and providing for an effective date.

Staff Representative
Deborah Sorensen, City Secretary

Executive Summary
Section 52.004 of the Texas Local Government Code and Section 2051.049 of the Texas Government Code provide that the City Council shall, as soon as practicable after the beginning of each municipal year, select by resolution a public newspaper to be the municipality's official newspaper until another is selected.

Strategic Priority and Goal(s)

Strategic Priority	Strategic Goal
Govern Transparently & Inclusivity	1.6 Actively educate, engage, and communicate with the community through a variety of channels. 1.8 Provide accurate and timely information to policy makers and the public.

Background Information
N/A

Discussion
The last newspaper that was designated the City's official newspaper was The Rowlett Lakeshore Times. The Rowlett Lakeshore Times is no longer in publication. The City has been publishing in The Dallas Morning News since 2015. The requirements for the official newspaper are:

1. Devote not less than 25% of its total column lineage to general interest items;
2. Be published at least once a week;

3. Be entered as second-class postal matter in the county where published; and

4. Have been published regularly and continuously for at least 12 months before the governmental entity or representative publishes notice.

The Dallas Morning News meets these requirements.

Financial/Budget Implications
N/A

Recommended Action
Move to adopt a Resolution Designating The Dallas Morning News as the Official Newspaper of the City.

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ROWLETT, TEXAS, DESIGNATING THE DALLAS MORNING NEWS AS THE OFFICIAL NEWSPAPER OF THE CITY; PROVIDING FOR A REPEALING CLAUSE; AND PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, Section 52.004 of the Texas Local Government Code and Section 2051.049 of the Texas Government Code provide that the City Council shall, as soon as practicable after the beginning of each municipal year, select by resolution a public newspaper to be the municipality's official newspaper until another is selected; and

WHEREAS, the City Council desires to officially designate *The Dallas Morning News* as the official newspaper of the City of Rowlett, Texas; and

WHEREAS, The Dallas Morning News meets all the requirements for service as the official newspaper of the City;

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

SECTION 1. The City Council hereby designates The Dallas Morning News as the official newspaper for the City of Rowlett, Texas.

SECTION 2. The Interim City Manager is hereby authorized to contract with The Dallas Morning News for said newspaper to serve as the official newspaper of the City of Rowlett, Texas.

SECTION 3. All provisions of the resolutions of the City of Rowlett in conflict with the provisions of this Resolution be and the same are hereby, repealed, and all other provisions of the resolutions of the City of Rowlett not in conflict with the provisions of this resolution shall remain in full force and effect.

SECTION 4. This Resolution shall take effect immediately upon its passage.

Attachments

None

City of Rowlett
City Council Agenda Item

Meeting Date: 7/21/2026 **Agenda Item:** 4.C.

Title
Consider action to authorize the purchase of nine (9) Chevrolet 1500 pickup trucks and one (1) Chevrolet Equinox from Lake Country Chevrolet.

Consider action to adopt a resolution authorizing the purchase of nine (9) Chevrolet 1500 pickup trucks and one (1) Chevrolet Equinox to replace Enterprise vehicles, from Lake Country Chevrolet, through a TIPS cooperative purchasing contract, for a total price not to exceed $445,155.77; authorizing the Interim City Manager or his designee to execute all necessary documents to effectuate said purchase; and providing an effective date.

Staff Representative
Mike Lasby, Mgr of Assets/Fleet

Executive Summary

Staff is requesting authorization to purchase nine (9) Chevrolet 1500 pickup trucks and one (1) Chevrolet Equinox from Lake Country Chevrolet, through a TIPS cooperative purchasing contract, to replace Enterprise vehicles. The purchase of these vehicles is part of the strategic plan to replace Enterprise-leased vehicles with city-owned vehicles. The purpose of this item is to authorize the purchase from Lake Country Chevrolet in the amount of $448,155.77.

Strategic Priority and Goal(s)

Strategic Priority	Strategic Goal
Promote Operational Excellence	7.1 Provide responsive, reliable, and cost-efficient public services. 7.4 Improve organizational capacity and effectiveness. 7.6 Streamline internal business processes. 7.7 Maintain a sound system of internal control.

Background Information

On February 2, 2021, the City Council approved an agreement with Enterprise Fleet Management to lease a significant portion of the City's fleet. This strategic direction has recently been evaluated, and a decision has been made to return to city-owned vehicles. This purchase supports that decision by replacing four Enterprise-owned

vehicles.

Discussion

The ability of all City departments to serve the citizens efficiently depends heavily on transportation with dependable, properly equipped vehicles. It is imperative that the City provide these vehicles in the most cost-effective manner possible.

In line with this imperative, a strategic, fiduciary decision has been made to return to city-owned vehicles and move away from vehicle leasing for vehicle acquisition. This purchase supports this strategic decision.

The equinox will support Police Department operations. Of the nine trucks, three will support utility operations, three will support park maintenance activities, and three will support street maintenance operations.

Financial/Budget Implications

CIP Project Budget Financial Table

Project Code	Project Title	Available Budget	Proposed Amount	Remaining Balance
CE1006	Enterprise Leasing Vehicle Replace	$1,304,817.66	$266,666.09	$1,038,151.57
CO2102	W/SS Vehicle Replacement	$1,282,476.81	$181,489.68	$1,100,987.13
TOTAL		$2,587,294.47	$448,155.77	$2,139,138.70

Recommended Action

Move to adopt a resolution authorizing the purchase of nine (9) Chevrolet 1500 pickup trucks and one (1) Chevrolet Equinox to replace Enterprise vehicles, from Lake Country Chevrolet, through a TIPS cooperative purchasing contract, for a total price not to exceed $448,155.77; authorize the Interim City Manager or his designee to execute all necessary documents to effectuate said purchase; and provide an effective date.

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ROWLETT, TEXAS APPROVING THE PURCHASE FROM LAKE COUNTRY CHEVROLET, UTILIZING A TIPS COOPERATIVE PURCHASING CONTRACT, OF NINE (9) CHEVROLET 1500 PICKUP TRUCKS AND ONE (1) CHEVROLET EQUINOX TO REPLACE VEHICLES PREVIOUSLY LEASED FROM ENTERPRISE, FOR A TOTAL PRICE NOT TO EXCEED $448,155.77; AUTHORIZING THE INTERIM CITY MANAGER OR HIS DESIGNEE TO EXECUTE ALL NECESSARY AND RELATED DOCUMENTS; AND

PROVIDING AN EFFECTIVE DATE.

WHEREAS, in 2021, the City Council approved an agreement with Enterprise Fleet Management to lease a significant portion of the City's fleet; and

WHEREAS, a strategic, fiduciary decision has been made to depart from leasing and return to purchasing such vehicles; and

WHEREAS, in line with this decision, City staff has received a quote from Lake Country Chevrolet, utilizing a TIPS cooperative purchasing contract, for the purchase of nine (9) Chevrolet 1500 Pickup Trucks and one (1) Chevrolet Equinox for a total price not to exceed $448,155.77; and

WHEREAS, the City Council finds that approving this purchase serves the health, safety and general welfare of the City;

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

SECTION 1. The City Council approves the purchase of nine (9) Chevrolet 1500 Pickup Trucks and one (1) Chevrolet Equinox from Lake Country Chevrolet utilizing a cooperative purchasing contract through The Interlocal Purchasing System ("TIPS") for a purchase price not to exceed $448,155.77, substantially in accordance with the price quote attached hereto and incorporated herein by this reference as **Exhibit "A."**

SECTION 2. The Interim City Manager or his designee is authorized to execute any and all necessary and related documents for the purchase authorized by this resolution.

SECTION 3. This resolution shall take effect immediately upon its passage.

Attachments

1. Exhibit A – Quotes from Lake Country Chevrolet

PRODUCT PRICING SUMMARY

TIPS USA 240901 AUTOMOBILES

VENDOR- 5426 LAKE COUNTRY CHEVROLET, 2152 N. WHEELER STREET JASPER, TX 75951

End User: CITY OF ROWLETT
Contact: DAVID CATES
Email: dcates@rowlett.com
Product Description: SILVERADO 1500 CC

Prepared by: RICK BROWN
Phone: 409.659.1555
Email: RBROWN.SILSBEEFLEET@GMAIL.COM
Date: June 22, 2026

A. **Bid Item:** CC10543 **A. Base Price:** $ 41,907.00

B. Factory Options

Code	Description	Bid Price	Code	Description	Bid Price
	2026 SILVERADO 1500 CREW 2WD	$ -		EXTERIOR - WHITE	$ -
	SWB / 5 1/2' BED	$ -		INTERIOR - BLACK VINYL	$ -
L83	5.3L V8 ENGINE	$ 1,595.00	F80	HD LOCKING REAR	$ -
	POWER WINDOWS / LOCKS/CRUISE	$ -	PEB	WT CONV PACKAGE	$ 960.00
BG9	VINYL FLOORING	$ -		inc REAR PRIVACY GLASS, REAR	
	CHEVY SAFETY ASSIST	$ -		WINDOW DEFOGGER, CRUISE	
Z82	TRAILER TOW PACKAGE	$ -		CONTROL, POWER MIRRORS,	
JL1	TRAILER BRAKE CONTROLLER	$ 425.00		TRAILER TOW PACKAGE	

Total of B. Published Options: $ 2,980.00

Published Option Discount (5%) $ (149.00)

C. Unpublished Options

Description	Bid Price	Options	Bid Price
SO NROADS MINI LIGHTBAR BAW	$ 606.54	RUNNING BOARDS	$ 479.00
SO MPOWER LEDS BAW GRILL X2	$ 293.80	BLACK HEADACHE RACK	$ 429.00
SO MPOWER LEDS GRILL BRACKET X2	$ 17.28		
SO MPOWER LEDS BAW REAR X2	$ 293.80		
EQ SERVICES / FREIGHT / SHOP SUPPLIES	$ 1,230.00		
ALL WEATHER MATS	$ 149.00		

Total of C. Unpublished Options: $ 3,498.42

D. **Floor Plan Interest (for in-stock and/or equipped vehicles):** $ -

E. **Lot Insurance (for in-stock and/or equipped vehicles):** $ -

F. **Contract Price Adjustment:** 26WT FLEET DISCOUNT $ (3,018.00)

G. **Additional Delivery Charge:** 227 **miles** $ 154.00

H. **Subtotal:** $ 45,372.42

I. **Quantity Ordered** 7 **x H =** $ 317,606.94

J. **Trade in:** $ -

K. **Total Purchase Price** $ 317,606.94

PRODUCT PRICING SUMMARY

TIPS USA 240901 AUTOMOBILES

VENDOR- 5426 LAKE COUNTRY CHEVROLET, 2152 N. WHEELER STREET JASPER, TX 75951

End User: CITY OF ROWLETT
Contact: DAVID CATES
Email: dcates@rowlett.com
Product Description: SILVERADO 1500 CC

Prepared by: RICK BROWN
Phone: 409.659.1555
Email: RBROWN.SILSBEEFLEET@GMAIL.COM
Date: June 29, 2026

A. **Bid Item:** CC10543 — **A. Base Price:** $ 41,907.00

B. **Factory Options**

Code	Description	Bid Price	Code	Description	Bid Price
	2026 SILVERADO 1500 CREW	$ -		EXTERIOR - WHITE	$ -
	SWB / 5 1/2' BED	$ -		INTERIOR - BLACK VINYL	$ -
L83	5.3L V8 ENGINE	$ 1,595.00	F80	HD LOCKING REAR	$ -
	POWER WINDOWS / LOCKS/CRUISE	$ -	PEB	WT CONV PACKAGE	$ 960.00
BG9	VINYL FLOORING	$ -		inc REAR PRIVACY GLASS, REAR	
	CHEVY SAFETY ASSIST	$ -		WINDOW DEFOGGER, CRUISE	
Z82	TRAILER TOW PACKAGE	$ -		CONTROL, POWER MIRRORS,	
	4x4 UPGRADE	$ 3,695.00		TRAILER TOW PACKAGE	
JL1	TRAILER BRAKE CONTROLLER	$ 425.00			

Total of B. Published Options: $ 6,675.00

Published Option Discount (5%) $ (333.75)

C. **Unpublished Options**

Description	Bid Price	Options	Bid Price
SO NROADS MINI LIGHTBAR BAW	$ 606.54		
SO MPOWER LEDS BAW GRILL X2	$ 293.80		
SO MPOWER LEDS GRILL BRACKET X2	$ 17.28		
SO MPOWER LEDS BAW REAR X2	$ 293.80		
EQ SERVICES / FREIGHT / SHOP SUPPLIES	$ 1,230.00		
ALL WEATHER MATS	$ 149.00		
RUNNING BOARDS	$ 479.00		
BLACK HEADACHE RACK	$ 429.00		

Total of C. Unpublished Options: $ 3,498.42

D. **Floor Plan Interest (for in-stock and/or equipped vehicles):** $ -

E. **Lot Insurance (for in-stock and/or equipped vehicles):** $ -

F. **Contract Price Adjustment:** 26WT FLEET DISCOUNT $ (3,018.00)

G. **Additional Delivery Charge:** 227 **miles** $ 154.00

H. **Subtotal:** $ 48,882.67

I. **Quantity Ordered** 2 **x H =** $ 97,765.34

J. **Trade in:** $ -

K. **Total Purchase Price** $ 97,765.34

PRODUCT PRICING SUMMARY

240901 TIPS USA TRANSPORTATION VEHICLES

VENDOR- 5426 LAKE COUNTRY CHEVROLET, 2152 N. WHEELER STREET JASPER, TX 75951

End User: CITY OF ROWLETT
Contact: DAVID CATES
Email: dcates@rowlett.com
Product Description: CHEVROLET EQUINOX

Prepared by: RICK BROWN
Phone: 409.659.1555
Email: RBROWN.SILSBEEFLEET@GMAI
Date: June 16, 2026

A. **Bid Item:** 1XP26 **A. Base Price:** $ 28,472.00

B. **Factory Options**

Code	Description	Bid Price	Code	Description	Bid Price
	2026 CHEVROLET EQUINOX LT	$ -		EXTERIOR - WHITE	
	4 CYL ENGINE W/ AUTOMATIC	$ -		INTERIOR - MED ASH	
	POWER WINDOWS / LOCKS	$ -			
	REAR VIEW CAMERA	$ -			
	AM / FM / BLUETOOTH	$ -			
	CHEVROLET SAFETY ASSIST	$ -			

Total of B. Published Options: $ -

Published Option Discount (5%) $ (50.00)

C. **Unpublished Options [not to exceed 25%]** $= 13.7 %

Description	Bid Price	Options	Bid Price
SO GRILL LEDS R/B X2	$ 278.82	LGL WINDOW TINT	$ 249.00
SO WINDSHEILD LEDS R/B W/ SHROUD X2	$ 287.07		
SO REAR WINDOW LEDS R/B W/ SHROUD X2	$ 287.07		
REAR LICENSE PLATE LEDS	$ 261.54		
SPEAKER	$ 221.79		
HAND HELD SIREN	$ 402.20		
EQ SERVICES / FREIGHT / SHOP SUPPLIES	$ 1,920.00		

Total of C. Unpublished Options: $ 3,907.49

D. **Floor Plan Interest (for in-stock and/or equipped vehicles):** $ -

E. **Lot Insurance (for in-stock and/or equipped vehicles):** $ -

F. **Contract Price Adjustment:**

G. **Additional Delivery Charge:** 227 $ 454.00

H. **Subtotal:** $ 32,783.49

I. **Quantity Ordered** 1 **x H =** $ 32,783.49

J. **Trade in:** $ -

K. **Total Purchase Price** $ 32,783.49

City of Rowlett
City Council Agenda Item

Meeting Date: 7/21/2026 **Agenda Item:** 4.D.

Title
Consider action to authorize the award of a contract for Country Aire Estates Phase 2 Reconstruction.

Consider action to adopt a resolution authorizing the award of a contract for Bid No. 2026-43-B, Country Aire Estates Phase 2 Reconstruction, to DDM Construction Corporation, for an amount not to exceed $2,779,067.50 ($2,526,425.00 plus a ten percent (10%) contingency of $252,642.50); authorizing the Mayor or his designee to execute the contract and all necessary documents to effectuate said purchase; and providing an effective date.

Staff Representative
Bryan Manderscheid, Civil Engineer
Deepa Modi, Asst. Director of PW/City Engineer

Executive Summary
Consider action to adopt a resolution authorizing the award of a contract for Bid No. 2026-43-B, Country Aire Estates Phase 2 Reconstruction, to DDM Construction Corporation, for an amount not to exceed $2,779,067.50 ($2,526,425.00 plus a ten percent (10%) contingency of $252,642.50); authorizing the Mayor or his designee to execute the contract and all necessary and related documents.

Strategic Priority and Goal(s)

Strategic Priority	Strategic Goal
Invest in Transportation & Infrastructure	6.2 Upgrade residential streets, alleys, drainage ways, and utility systems. 6.7 Provide a high-quality water supply and distribution system. 6.8 Provide a high-quality wastewater collection system.

Background Information
On September 21, 2021, the Mayor approved a task authorization with Walter P. Moore, Inc. (WPM), for the engineering design of the Country Aire Estates Phases 1 and Phase 2 reconstruction project. On May 8, 2025, the City Manager's Office approved a supplemental task authorization to modify and update the completed Phase 2 plans based on the field conditions encountered during the Phase 1 construction and a wider roadway cross-section. WPM prepared an Engineer’s Opinion of Probable Cost (EOPC) based on industry experience, and the City evaluated this estimate against recent bid

histories. The EOPC for the base bid of the project is $4,142,105.00. There were two additive alternates, with the EOPC of additive alternate 1 was $93,000.00 and the EOPC of additive alternate 2 was $91,000.00.

Nine bids were received. The apparent low bidder was DDM Construction Corporation (DDM Construction), with a base bid amount of $2,398,675.00 and an additive alternate 1 option of $56,992.00 and an additive alternate 2 option of $127,750.00. DDM Construction is registered to do business in Texas and is not listed on the Texas debarred vendor list or the federal exclusion list.

Discussion

To procure construction services for the Country Aire Estates Phase 2 Reconstruction project, the City conducted a competitive, publicly advertised bidding process in accordance with state and local procurement requirements. City staff performed a comprehensive evaluation of all bids to determine the lowest and most responsive and responsible bidder.

A ‘Notice to Bidders’ was published in the Dallas Morning News and on the City’s website on May 22, 2026, and May 29, 2026. A non-mandatory pre-bid meeting was held virtually via MS Teams on June 2, 2026, at 10:00 AM. Sealed bids were received in the purchasing office until 2:00 PM on June 9, 2026, and were publicly opened and read aloud online, in accordance with the Texas Local Government Code.

Nine firms submitted itemized bids for the Country Aire Estates Phase 2 Reconstruction project. The scope of work includes 7,800 square yards of concrete pavement, 500 linear feet of drainage pipe, 2,500 linear feet of water pipe, 2,300 linear feet of wastewater pipe, and 2,300 linear feet of illumination conduit.

The nine base bids ranged from $2,398,675.00 to $3,045,907.00, as shown in Attachment A. The additive alternate 1 options ranged from $55,000.00 to $96,875.00. The additive alternate 2 options ranged from $56,992.00 to $343,875.00.

After evaluating the bid submitted by DDM Construction, City staff reached the following conclusions:

- The base bid amount of $2,398,675.00 and additive alternate amounts of $93,000.00 and $127,750.00 comply with all project requirements and specifications.
- The City will move forward with the additive alternate 2.

The firm’s financial statements demonstrate financial stability and adequate capacity to complete the project.

City staff reviewed all bids and recommended awarding the contract to DDM Construction.

The project schedule requires substantial completion within 270 calendar days from the issuance of the Notice to Proceed, with final completion within 30 calendar days

thereafter.

Financial/Budget Implications

Project Code or Budget Account Number	Account or Project Title	Available Budget	Proposed Amount	Remaining Balance
ST2162	Country Aire Estates Ph 2	$2,874,684.00	$1,922,222.50	$952,461.50
CO2114	Country Aire (ST2162) W&S Component	$1,152,000.00	$856,845.00	$295,155.00

The award of a contract for Bid No. 2026-43-B, Country Aire Estates Phase 2 Reconstruction, to DDM Construction, for an amount not to exceed $2,779,067.50 ($2,526,425.00 plus a ten percent (10%) contingency of $252,642.50).

Recommended Action

Move to adopt a resolution authorizing the award of a contract for Bid No. 2026-43-B, Country Aire Estates Phase 2 Reconstruction, to DDM Construction, for an amount not to exceed $2,779,067.50 ($2,526,425.00 plus a ten percent (10%) contingency of $252,642.50); authorize the Mayor or his designee to execute the contract and all necessary documents to effectuate said purchase; and provide an effective date.

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ROWLETT, TEXAS AWARDING THE CONTRACT FOR REQUEST FOR BID NO. 2026-43-B ("BID NO. 2026-43-B") FOR COUNTRY AIRE ESTATES PHASE 2 RECONSTRUCTION TO DDM CONSTRUCTION CORPORATION FOR A TOTAL PRICE NOT TO EXCEED $2,779,067.50 ($2,526,425.00 PLUS A TEN PERCENT CONTINGENCY OF $252,642.50); AUTHORIZING THE MAYOR OR HIS DESIGNEE TO EXECUTE THE CONTRACT AND ALL RELATED AND NECESSARY DOCUMENTS; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, a notice to bidders was published in the Dallas Morning News and on the City's website on May 22, 2026 and May 29, 2026 for Bid No. 2026-43-B regarding Country Aire Estates Phase 2 Reconstruction Project; and

WHEREAS, the lowest responsive and responsible bidder was DDM Construction Corporation with a bid of $2,398,675.00 and an additive alternate amount of $127,750.00 for additive alternative 2; and

WHEREAS, the City Council finds it to serve the health, safety and general welfare to approve and award the contract for Bid No. 2026-43-B to DDM Construction Corporation for a total bid price of $2,779,067.50, which includes a ten percent contingency of $252,642.50;

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

THAT:

SECTION 1. The contract for Bid No. 2026-43-B, attached hereto as **Exhibit "A,"** is hereby approved and awarded to DDM Construction Corporation for a total contract price not to exceed $2,779,067.50 comprised of a base bid of $2,398,675.00, an additive alternative 2 amount of $127,750.00, and a contingency of $252,642.50.

SECTION 2. The Mayor or his designee is hereby authorized to execute the contract in substantially the form of Exhibit "A" attached hereto and incorporated herein by this reference, and any other necessary and related documents.

SECTION 3. This resolution shall take effect immediately upon its passage.

Attachments

1. Exhibit A - Construction Contract
2. Attachment 1 - Bid Tabulation Summary

CONTRACT DOCUMENTS AND SPECIFICATIONS
FOR

COUNTRY AIRE ESTATES PHASE 2 RECONSTRUCTION

BID NO. 2026-43-B

CIP No. ST2162-A

Prepared by:

Walter P. Moore & Associates, Inc.
500 N Akard St, Suite 2300
214-740-6200

STATE OF TEXAS
JEFFREY J. FRISON
86915
LICENSED
PROFESSIONAL ENGINEER

5/18/2026

Table of Contents

SECTION 1 ADVERTISEMENT 3

SECTION 2 NOTICE TO BIDDERS 5

SECTION 3 INSTRUCTIONS TO BIDDERS 8

SECTION 4 STANDARD TERMS AND CONDITIONS FOR PROCUREMENTS 10

SECTION 5 ADDITIONAL CONDITIONS FOR PUBLIC WORKS CONSTRUCTION CONTRACTS 19

SECTION 6 BID FORMS 26
- BID FORM 27
- BID CERTIFICATION FORM 31
- SUBCONTRACTOR FORM 33
- BID BOND 34

SECTION 7 INSURANCE REQUIREMENTS AND BOND FORMS 36
- INSURANCE REQUIREMENTS 37
- WORKERS' COMPENSATION INSURANCE COVERAGE 41
- PERFORMANCE BOND 44
- PAYMENT BOND 47
- MAINTENANCE BOND 50

SECTION 8 PREVAILING WAGE RATES 53
- Pertinent Information Regarding Wage Rate Determinations and Monitoring 54
- Prevailing Wage Rate Determination Information 55
- Worker Classification Definition Sheet 56
- CURRENT PREVAILING WAGE RATES 58

SECTION 9 EQUAL OPPORTUNITY EMPLOYMENT PROVISIONS 59

SECTION 10 CONSTRUCTION CONTRACT 63

SECTION 11 NCTCOG STANDARD AND SPECIAL CONDITIONS 91
- NCTCOG STANDARD SPECIFICATIONS AND SPECIAL CONDITIONS 92
- SPECIAL CONDITIONS 93
- SC.01 GENERAL 93
- SC.02 LOCATION OF PROJECT 93
- SC.03 SCOPE OF WORK 93
- SC.04 DISQUALIFICATION OF BIDDERS 93

SECTION 12 MEASUREMENT AND PAYMENT 94

SECTION 13 SUPPLEMENTAL PROVISIONS 96

SECTION 14 TECHNICAL SPECIFICATIONS 108

SECTION 1 ADVERTISEMENT

Legal Advertisement

City of Rowlett
Notice to Bidders

The City of Rowlett is accepting sealed bids for **BID NO. 2026-43-B COUNTRY AIRE ESTATES PHASE 2 RECONSTRUCTION**. Bids will be accepted online through bidnetdirect.com or delivered in hard copy to the Purchasing Office, c/o the City of Rowlett Action Center, 4000 Main St., Rowlett, TX 75088, or mailed to PO Box 99, Rowlett, TX 75030-0099, before **2:00pm (CT) on June 16, 2026**. Bids will be publicly opened online and read in compliance with statutory requirements at 2:30pm on the day bids are due via a Microsoft Teams meeting as follows:

Meeting ID: 245 273 863 230 364
Passcode: jG2Ca3Ar
Link: https://teams.microsoft.com/meet/245273863230364?p=PsEAsb1iuBk1a4pQLo

A non-mandatory pre-bid meeting will be held online on June 2, 2026, at 10:00am (CT) as follows:

Meeting ID: 223 430 806 527 371
Passcode: ZZ7ah3kh
Link: https://teams.microsoft.com/meet/223430806527371?p=mwb8qAieF5RHnQyUTi

Bid documents are available for download at https://www.bidnetdirect.com/texas/cityofrowlett.
For questions regarding this project, please email jcalhoun@rowlett.com.

Publish dates: 5/22/2026 and 5/29/2026
Bid Number 2026-43-B

SECTION 2 NOTICE TO BIDDERS

NOTICE TO BIDDERS

The City of Rowlett ("City") is accepting competitive sealed bids for **BID NO. 2026-43-B COUNTRY AIRE ESTATES PHASE 2 RECONSTRUCTION.** Bids will be accepted online through bidnetdirect.com or delivered in hard to the Purchasing Office, c/o the City of Rowlett Action Center, 4000 Main St., Rowlett, TX 75088, or mailed to PO Box 99, Rowlett, TX 75030-0099 until **2:00pm (CT) on Tuesday, June 16, 2026.** Any bids received after this time will not be accepted and will be returned unopened. **Bids will be publicly opened and read in compliance with statutory requirements at 2:30pm on the day bids are due.** To participate in the public bid opening, please use the following:

Meeting ID:	245 273 863 230 364
Passcode:	jG2Ca3Ar
Link:	https://teams.microsoft.com/meet/245273863230364?p=PsEAsb1iuBk1a4pQLo

The Project consists of furnishing all labor, equipment and materials (except as otherwise specified), and performing all work necessary for the construction of Salzburg Dr (from Acapulco Dr to alley east of Swiss Way) and Swiss Way (from Acapulco Dr to Salzburg Dr). The reconstruction includes 7,800 SY of concrete pavement, 500 LF of drainage, 2,500 LF of water, 2,300LF of wastewater, and 2,300LF of illumination conduit.

The successful bidder will begin construction within 10 calendar days after the issuance of the Notice to Proceed. Substantial completion of the work will be achieved within 270 calendar days of the date indicated on the Notice to Proceed and final completion will be achieved within 30 calendar days after substantial completion.

Each bid submitted shall be accompanied by a cashier's check in the amount of 5% of the maximum amount bid, payable without recourse to the City of Rowlett, or a Bid Bond in the same amount from a reliable surety company as a guarantee that, if awarded the contract, the successful Contractor will execute a Construction Agreement with the City, including all required bonds and other documents.

The successful Contractor shall furnish a Performance Bond in the amount of 115% of the contract amount, and a Payment Bond in the amount of 100% of the contract amount, as well as evidence of all required insurance coverage within ten (10) calendar days of notice of award. The successful Contractor shall also furnish a Maintenance Bond in the amount of 100% of the contract amount covering defects of material and workmanship for two calendar years following the City's approval and acceptance of the construction. An approved surety company, licensed in the State of Texas, shall issue all bonds in accordance with Texas law.

Copies of Plans, Specifications, and Contract Documents may be downloaded free of charge from Current Bidding Opportunities by completing the no-cost vendor registration at the following link: https://www.bidnetdirect.com/texas/cityofrowlett.

Questions and requests for clarifications in regards to this bid should be submitted in writing through bidnetdirect.com or via email directly to January Calhoun, Purchasing Manager, at jcalhoun@rowlett.com. The deadline for receipt of questions and requests for clarifications is **12:00pm**

on Wednesday, June 3, 2026. After that day and time, no further questions or requests for clarifications will be accepted or answered by the Engineer or City.

SECTION 3 INSTRUCTIONS TO BIDDERS

INSTRUCTIONS TO BIDDERS

1. Instructions: These instructions apply to all bids and become a part of the terms and conditions of any bid submitted unless bidder takes exception in writing when submitting bid.

2. Submittal Deadline: The City of Rowlett (City) is accepting bids until **2:00pm on Tuesday, June 16, 2026.**

3. Submittal Location: Bids will be accepted online through bidnetdirect.com or delivered in hard copy to the Purchasing Office, c/o the City of Rowlett Action Center, 4000 Main St., Rowlett, TX 75088, or mailed to PO Box 99, Rowlett, TX 75030-0099.

4. If submitting a hard copy bid, Bidder shall submit one (1) original and one (1) electronic copy of their bid on a thumb drive in a **sealed envelope clearly marked with their name and BID NO. 2026-43-B COUNTRY AIRE ESTATES PHASE 2 RECONSTRUCTION**. Bidder shall complete all requested information and submit all required documents.

5. The City may consider informal any bid not prepared and submitted in accordance with the provisions hereof and may, at its sole option and within its sole discretion, waive any informalities or reject any and all bids. Any bid may be withdrawn prior to the above scheduled time for the opening of bids or authorized postponement thereof. No bidder may withdraw a bid within 90 days after actual date of the opening thereof.

6. Bid Opening: **The bid opening will be conducted online on Tuesday, June 16, 2026 @ 2:30pm.** To participate in the bid opening, please use the following:

   Meeting ID: 245 273 863 230 364
   Passcode: jG2Ca3Ar
   Link: https://teams.microsoft.com/meet/245273863230364?p=PsEAsb1iuBk1a4pQLo

7. Bid Documents: Copies of Plans, Specifications, and Contract Documents may be downloaded from Current Bidding Opportunities by completing the no-cost vendor registration at the following link: https://www.bidnetdirect.com/texas/cityofrowlett.

8. Questions and Requests for Clarification: Questions and requests for clarifications in regards to this bid should be submitted in writing through bidnetdirect.com or via email directly to January Calhoun, Purchasing Manager at jcalhoun@rowlett.com. The deadline for receipt of questions and requests for clarifications is **12:00pm on Wednesday, June 3, 2026**. After that day and time, no further questions or requests for clarifications will be accepted or answered by the Engineer or City.

9. Addenda: If it becomes necessary to provide additional information to potential Bidders, the City of Rowlett Purchasing Office will issue an addendum containing the necessary information.

10. Pre-Bid Meeting: A pre-bid meeting will be held for this project **online** at **10:00am, Tuesday, June 2, 2026.** Attendance is optional. To participate in the pre-bid meeting, please use the following:

    Meeting ID: 223 430 806 527 371
    Passcode: ZZ7ah3kh
    Link: https://teams.microsoft.com/meet/223430806527371?p=mwb8qAieF5RHnQyUTi

SECTION 4 STANDARD TERMS AND CONDITIONS FOR PROCUREMENTS

1. **APPLICABILITY**: These standard terms and conditions apply to all goods or services procured by the City of Rowlett, Texas ("City"), unless otherwise stated in the specifications. The instructions contained herein shall be incorporated into the request for bids/proposals or other procurement opportunity advertisement as well as any subsequent purchase order(s) issued for goods or services and shall be included as part of the specifications issued herewith.

2. **NOTIFICATION**: The City advertises formal procurement opportunities through www.rowletttx.gov, bidnet direct by SOVRA, and *The Dallas Morning News*. The City shall not be responsible for information distributed by sources other than those listed.

3. **ADDENDA**: Any revisions to the information contained herein or in the request for bids/proposals will be issued in the form of one or more addenda. The sole issuing authority shall be vested in the City of Rowlett Purchasing Office. If addenda containing material changes to the specifications or pricing form are issued, the vendor shall acknowledge receipt of such addenda in the designated section in the Bid/Proposal document. It is the responsibility of the bidder/proposer to obtain and acknowledge any and all addenda. Failure to acknowledge receipt of any addenda may be cause to deem such submission non-responsive.

4. **SILENCE OF SPECIFICATION**: The apparent silence of the provided specifications as to any detail or the apparent omission from these specifications of a detailed description concerning any point, shall be regarded as meaning that only the best commercial practices are to prevail. All interpretations of the specifications shall be made on the basis of this statement.

5. **MINOR DEFECT:** The City reserves the right to waive any minor defect, irregularity, or informality in any bid/proposal. Minor defects, irregularities or informalities will not affect the end product/performance intended by the specifications. The City also reserves the right to reject any or all bids/proposals with or without cause prior to award.

6. **ELECTRONIC SUBMISSIONS:** The City utilizes bidnet direct by SOVRA to advertise and receive bids and proposals electronically over the Internet. Electronic submissions through bidnet direct by SOVRA shall be electronically signed and dated by a duly designated representative or agent of the company submitting the bid/proposal and submitted prior to the stated deadline date and time. Vendors should clearly and concisely provide all requested information as stated in the bid/proposal document. Failure to provide the requested information may be reason to deem such submission non-responsive.

7. **PAPER SUBMISSIONS**: Paper submissions shall be submitted on the forms provided by the City and must be signed and dated by a duly designated representative or agent of the company submitting the bid/proposal. Vendors shall clearly and concisely provide all requested information as stated in the bid/proposal document. Failure to provide the requested information may be reason to deem such submission non-responsive.

8. **PRESENTATION OF BIDS/PROPOSALS**: Paper submissions shall be presented to City Action Center, 4000 Main Street, Rowlett, Texas 75088, prior to the stated deadline date and time. Paper submissions shall be presented in a sealed envelope with vendor's name and the bid/proposal number clearly identified on the outside of the envelope.

9. **LATE SUBMISSIONS**: The date/time stamp located in the City Action Center serves as the official time clock. Submissions received after the stated deadline date and time shall be refused and returned unopened. The City is not responsible for issues encountered with methods of delivery.

10. **PRICING**: Prices offered shall be submitted for units of quantity as specified in the bid/proposal document, extended and totaled. In the case of a discrepancy in the extended price, the unit price shall govern and control. Any alteration, strike-through or erasure of a unit price or extended price made prior to bid/proposal opening shall be initialed by the signer of the bid/proposal, guaranteeing authenticity.

    Prices offered **cannot** be altered or amended after the submission deadline. Bids may not be changed for the purpose of correcting an error in bid price after bid opening.

11. **PROPRIETARY INFORMATION**: All material submitted to the City is subject to public disclosure upon receipt, pursuant to the Texas Open Records Act. If vendor does not desire proprietary information in the bid to be disclosed, each page must be identified and marked proprietary at the time of submittal. The City will, to the extent allowed by law, endeavor to protect such information from disclosure. The final decision as to what information must be disclosed, however, lies with the Texas Attorney General. Failure to identify proprietary information will result in all unmarked sections being deemed non-proprietary upon public request.

12. **TAXES:** The City is exempt from paying federal excise and transportation taxes and Texas State or local sales and use taxes. Tax shall not be included in prices offered. A Tax-Exempt Form will be provided by the City upon request. A request for a Tax-Exempt Form can be submitted in writing to purchasing@rowlett.com or by contacting the Purchasing Office at 972.412.6189.

13. **WITHDRAWAL OF OFFER**: Vendor agrees that an offer may not be withdrawn or cancelled for a period of ninety (90) days following the date and time designated for the receipt of the bid/proposal without written approval of the Purchasing Manager.

14. **F.O.B./DAMAGE**: Prices offered shall be F.O.B. Final Destination, Rowlett, Texas, and shall be all inclusive of shipping, handling and packaging costs. The City accepts and assumes no liability for goods delivered in damaged or unacceptable condition. The successful vendor shall be responsible for handling all claims with carriers, and in case of damaged or unacceptable goods, shall ship replacement goods immediately upon notification by the City.

15. **PREPARATION COST**: All costs associated with the preparation of an offer, bid, or proposal shall be borne by the vendor. The City will not be liable for any costs associated with the preparation, transmittal, or presentation of submissions, or with any materials submitted in response to the request for bid/proposal.

16. **TESTING**: At the City's discretion, testing may be required prior to award of the bid/proposal or prior to delivery of goods or services. Testing shall be performed without expense to the City.

17. **SAMPLES**: At the City's discretion, samples may be required prior to award of the bid/proposal or prior to delivery of goods or services. Samples shall be provided at no cost to the City. Samples should not be enclosed with submission unless specifically requested.

18. **QUALITY**: Any catalog, brand names, or manufacturer's reference in the bid/proposal packet is merely descriptive and **not** restrictive and is intended to indicate the type and minimum quality level desired for comparison purposes, unless otherwise stated herein to the contrary. All products and/or optional equipment offered shall be new and of current manufacture. No items of a demonstrator, leased, reconditioned, rebuilt, repossessed or used nature shall be considered, unless otherwise specifically stated herein.

19. **BID/PROPOSAL OPENINGS**: All bids/proposals will be read aloud at the City's scheduled opening for the designated bid/proposal. However, the reading of an offer shall not be construed as a comment on the responsiveness of such offer, or as any indication that the City accepts such offer as responsive. Neither shall such reading be construed as a comment on the responsibility of the bidder/proposer.

The City will make a determination regarding the responsiveness of offers submitted based upon compliance with all applicable laws and the City's purchasing guidelines and project documents including, but not necessarily limited to, the bid/proposal specifications and contract documents. The City will notify the successful vendor upon award of the contract; and, according to State law all offers received will be available for inspection after award.

For processes other than low bid or best value bid, only the names of vendors will be read aloud at the scheduled opening. Pricing information will not be released until after award of the contract.

20. **SUMMARY SHEET**: Bid/Proposal summary results are typically published within two (2) business days after the scheduled opening. Interested parties desiring a copy of a bid/proposal summary sheet may request the same by submitting a written request to purchasing@rowlett.com. **RESULTS WILL NOT BE RELAYED OVER THE TELEPHONE.**

21. **GRATUITIES**: Gratuities in the form of entertainment, gifts, or otherwise offered or given by the vendor, or any agent or representative of the vendor, to any officer or employee of the City with a view toward securing a contract or securing favorable treatment with respect to the awarding or amending or the making or any determinations with respect to the performing of such a contract, are not permissible. In the event this contract is cancelled by City pursuant to this provision, City shall be entitled, in addition to any other rights and remedies, to recover or withhold the amount of the cost incurred by vendor in providing such gratuities.

22. **ANTI-COLLUSION**: In submitting an offer, vendor certifies that they have not participated in, nor have they been party to any collusion, price fixing or any other illegal or unethical agreements with any company, firm or person concerning the pricing offered.

23. **NO PROHIBITED INTEREST**: Vendor acknowledges awareness of the laws, City Charter, and City Code of Ethics regarding conflicts of interest. No officer, employee or agent of the City shall participate in the negotiation, selection, discussion, award or administration of a contract or procurement supported by public funds if: 1) that individual has a substantial interest in a person or entity, as defined by Section 2-463 of the City's Code of Ordinances and/or Chapter 171 of the Texas Local Government Code, that is the subject of the contract or procurement; or 2) a conflict of interest, either real or apparent, would be involved, as defined therein.

24. **CONFLICT OF INTEREST**: In accordance with Chapter 176, Local Government Code, a person who is a vendor and has a business relationship, as those terms are defined by Section 176.001(1-a), with the City and meets requirements under Section 176.006(a) is required to file a Conflict of Interest Questionnaire with the City Secretary not later than the 7th business day after the date the person becomes aware of facts that require the statement to be filed. See Section 176.006, Local Government Code. A person commits an offense if the person knowingly violates Section 176.006, Local Government Code. An offense under this section is a Class C misdemeanor.

A complete copy of Chapter 176 of the Local Government Code may be found at https://statutes.capitol.texas.gov/Docs/LG/htm/LG.176.htm.

25. **NON-RESIDENT BIDDERS**: Texas Government Code, Chapter 2252: Non-Resident Bidders. Texas law prohibits city and governmental units from awarding contracts to a non-resident bidder/proposer unless the amount of such bid is lower than the lowest bid by a Texas resident by the amount a Texas resident would be required to underbid the non-resident bidder/proposer on a bid/proposal for goods and services in the non-resident bidder's state.

26. **DELINQUENT TAXES**: Any person, firm, or corporation that is in arrears to the City for delinquent taxes or otherwise, will not be recommended for award of any bid/proposal until the arrearage has been cleared in writing. If a contractor or vendor becomes delinquent while a contract is in force, payment for goods or services provided to the City under said contract or purchase order may be withheld until the arrearage has been cleared in writing.

27. **MINIMUM STANDARDS FOR RESPONSIBILITY**: A prospective vendor must affirmatively demonstrate responsibility. The City of Rowlett may request representation and other information sufficient to determine vendor's ability to meet the minimum standards including but not limited to:

A. Have adequate financial resources, or the ability to obtain such resources as required
B. Ability to comply with the required or proposed delivery schedule
C. Have a satisfactory record of performance
D. Have a satisfactory record of integrity and ethics
E. Be otherwise qualified and eligible to receive an award

28. **AWARD OF CONTRACT**: The City reserves the right to award single or multiple contracts for the goods or services as stated herein, or to reject any and all bids. Furthermore, the City reserves the right to take administration costs into consideration when awarding to multiple vendors.

The City may award bids/proposals to the lowest responsive responsible vendor(s), or to the vendor(s) who provides goods or services at the best value to the City. If using the best value method, the selection criteria will be clearly identified in the bid/proposal document. The best value method may take into consideration, in whole or in part, by way of illustration and not limitation, the following criteria:

A. The purchase price
B. The reputation of the vendor and of 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 total long-term cost to the City to acquire the vendor's goods or services
G. Any relevant criteria specifically listed herein

29. **ACCEPTANCE:** Vendor agrees that acceptance of any or all items by the City within a reasonable period of time, not to exceed one hundred twenty (120) days following the date and time designated for the receipt of the bid/proposal, shall be binding upon vendor. Vendor shall thereafter execute all documents necessary to enter into a contract in a form acceptable to and properly executed by the City to provide such goods and services.

30. **FUNDING**: The City is a home-rule municipal corporation operated and funded on a fiscal year basis from October 1 to September 30. Accordingly, the City reserves the right to terminate at any time, without liability to the City, any contract for which funding is not available in a subsequent fiscal year.

31. **ASSIGNMENT**: The successful vendor shall not sell, assign, transfer or convey any contract, in whole or in part, to any other person or party without the prior written consent of the City obtained through the City's Purchasing Office.

32. **DELIVERY PROMISE – PENALTIES**: Where indicated, vendors must provide the number of calendar days required to deliver goods or services to the City after receipt of order (ARO). **Do not quote shipping dates**. When a delivery delay can be foreseen, the vendor shall provide advance notice to the Purchasing Manager, who shall have the right to extend the delivery date if the reasons for delay are acceptable. Default in promised delivery, without acceptable reason(s), or failure to meet specifications as contained herein or in the contract documents, authorizes the Purchasing Office to purchase goods or services from an alternate source. The defaulting vendor may be subject to re-procurement costs.

33. **DELIVERY TIMES**: Unless otherwise specified herein, deliveries will only be accepted during normal working hours at the designated City location(s).

34. **INSPECTION**: Upon receipt of goods or services, the same will be inspected for compliance with the specifications contained herein or in the contract documents. If the goods or services do not pass inspection, the vendor will be required to remedy the situation at the vendor's sole expense. The vendor will be required to retrieve the rejected goods at the delivery point and provide the necessary repairs of or replacement and return of the goods in new condition to the original point of delivery; or re-perform services in accordance with the terms and conditions of the contract and to the City's satisfaction.

35. **INVOICES**: Invoices shall be submitted to the attention of the ordering department, P.O. Box 99, Rowlett, Texas 75088, or electronically to the appropriate department representative.

36. **PAYMENT TERMS**: Payment terms are net 30 days, unless otherwise specified by the City in the bid/proposal document.

37. **AUDIT**: The City shall have access to, and the right to examine, monitor and audit all vendor's records, documents, conditions and activities related to contracts awarded by the City. It shall be the responsibility of the vendor to maintain records associated with this procurement for a period of three (3) years after completion of the contract, or in the event of litigation, a claim or audit, the records shall be retained until the resolution of such litigation, claim or audit.

38. **INSURANCE**: The City requires vendor(s) to carry the minimum insurance as required by the greater of the requirements contained in state laws or the insurance requirements contained in the contract documents.

39. **INDEMNITY**: **The bidder shall defend, indemnify and hold the City, its current, former and future officers, agents and employees harmless from any and all costs, expenses, suits, demands, claims, liabilities, liens, encumbrances or damages, including attorneys' fees and costs of suit, of any character, name and description, incurred or resulting from any injuries or damages received or sustained by any person, persons or property on account of any intentional wrongful conduct or negligent act, omission, or fault of the successful bidder, or of any agent, employee, subcontractor or supplier for which the successful bidder is responsible in the execution of, or performance under, any contract which may result from bid award and the bidder so agrees upon the submission of the bid. The bidder shall deliver, if so requested by the City, a written release of all liens or other proper evidence of same, to the satisfaction of the City prior to the issuance of final payment by the City.**

40. **INDEMNITY; PATENT RIGHTS**: **The bidder/proposer agrees to indemnify and hold harmless the City from any claim involving patent right infringement or copyright infringement on goods or services supplied to the City pursuant to the contract documents**.

41. **PROTESTS**: All protests regarding the solicitation process must be submitted in written form to the Purchasing Manager within five (5) working days following the opening of bids/proposals. This includes all protests relating to legal advertisements, deadlines, bid/proposal openings, and all other related procedures under the Local Government Code, as well as any protests relating to alleged improprieties or ambiguities in the specifications contained herein or in the contract documents.

Post-award protests must be submitted in written form to the Purchasing Manager within five (5) working days after award.

The protest must include, at a minimum, the name of the protester, bid/proposal number or description of goods or services, and a statement of the grounds for the protest. The Purchasing Manager, having authority to make the final determination, will respond within ten (10) working days to each substantive issue raised in the protest. Allowances for reconsiderations shall be made only if data becomes available that was not previously known, or if there has been an error of law or regulation.

42. **TERMINATION FOR DEFAULT**: The City reserves the right to enforce the performance of the contract in any manner prescribed by law and deemed to be in the best interest of the City in the event of breach or default of the contract. The City reserves the right to terminate the contract immediately in the event the contracted vendor fails to meet delivery schedules or otherwise perform in accordance with the specifications contained herein or in the contract documents. Breach of contract or default authorizes the City to award the contract to another vendor, or purchase from an alternate source, and charge the full increase in cost plus any additional administrative costs incurred by the City to the defaulting contracted vendor.

43. **REMEDIES**: The successful vendor and the City agree that each party may have rights, duties, and remedies available as stated in the Uniform Commercial Code and any other available remedy, whether in law or equity.

44. **VENUE**: The validity of the contract and of any of its terms or provisions, as well as the rights and duties thereunder or under the contract documents, shall be governed by and construed in accordance with the laws of the State of Texas. Exclusive venue for any legal action shall lie in the state courts of Dallas County, Texas.

45. **ENERGY BOYCOTT:** In accordance with Chapter 2274, Texas Government Code (Acts 2021, 87th Leg., S.B. 13), the City may not enter into a contract with a company, excluding a sole proprietorship, with 10 or more full-time employees for goods or services valued at $100,000 or more unless the contract contains a written verification from the company that the company: (1) does not boycott energy companies; and (2) will not boycott energy companies during the term of the contract. The signatory executing the Contract on behalf of Seller verifies Seller does not boycott energy companies and will not boycott energy companies during the term of the Contract. The foregoing verification is made solely to comply with Section 2274.002, Texas Government Code, and does not apply if the City determines the requirements of Subsection 2274.002(b) are inconsistent with the City's constitutional or statutory duties related to the issuance, incurrence or management of debt obligations or the deposit, custody, management, borrowing or investment of funds.

46. **FIREARMS:** In accordance with Chapter 2274, Texas Government Code (Acts 2021, 87th Leg., S.B. 19) the City may not enter into a contract with a company, excluding a sole proprietorship, with 10 or more full-time employees for goods or services valued at $100,000 or more unless the contract contains a written verification from the company that the company: (1) does not have a practice, policy, guidance, or directive

that discriminates against a firearm entity or firearm trade association; and (2) will not discriminate during the term of the contract against a firearm entity or firearm trade association. The signatory executing the Contract on behalf of Seller verifies Seller does not have a practice, policy, guidance, or directive that discriminates against a firearm entity or firearm trade association and will not discriminate during the term of the contract against a firearm entity or firearm trade association. The foregoing verification is made solely to comply with Section 2274.002, Texas Government Code, and does not apply if the City contracts with a sole-source provider or if the City does not receive any bids, if applicable, from a company that is able to provide the required verification.

47. **CRITICAL INFRASTRUCTURE:** In accordance with Chapter 2274, Texas Government Code, the City may not enter into a contract or agreement with a company, excluding a sole proprietorship, with 10 or more full-time employees for goods or services valued at $100,000 or more (1) if the company would be granted direct or remote access to or control of critical infrastructure in Texas, excluding access specifically allowed by the City for product warranty and support purposes and (2) if the City knows the company is (A) owned by or the a majority of stock or other ownership interest of the company is held or controlled by (i) individuals who are citizens of China, Iran, North Korea, Russia, or a designated country or (ii) a company or other entity, including a governmental entity, that is owned or controlled by citizens of or is directly controlled by the government of such countries, or (B) headquartered in such countries. The signatory executing the Contract on behalf of Seller represents that neither Seller nor any of its parent companies, wholly owned subsidiaries, majority-owned subsidiaries, and other affiliates is a company of which the City may not contract pursuant to Section 2274.0102, Texas Government Code. The foregoing verification is made solely to comply with Section 2274.0102, Texas Government Code.

48. **ANTI-BOYCOTT ISRAEL VERIFICATION:** In accordance with Chapter 2271, Texas Government Code, the City may not enter into a contract with a company, excluding a sole proprietorship, with 10 or more full-time employees for goods or services valued at $100,000 or more unless the contract contains a written verification from the company that it: (1) does not boycott Israel; and (2) will not boycott Israel during the term of the contract. The signatory executing the Contract on behalf of Seller verifies that Seller and its parent company, wholly-owned subsidiaries, majority-owned subsidiaries, and other affiliates, if any, do not boycott Israel and, to the extent the Contract is a contract for goods or services, will not boycott Israel during the term of the Contract. As used in the foregoing verification, "boycott Israel" means refusing to deal with, terminating business activities with, or otherwise taking any action that is intended to penalize, inflict economic harm on, or limit commercial relations specifically with Israel, or with a person or entity doing business in Israel or in an Israeli-controlled territory, but does not include an action made for ordinary business purposes. The signatory understands "affiliate" to mean an entity that controls, is controlled by, or is under common control with the signatory and exists to make a profit. This section does not apply to a Vendor which is a sole proprietorship and/or which has less than 10 full-time employees. This section does not apply to a contract valued at less than $100,000.

49. **IRAN, SUDAN, AND FOREIGN TERRORIST ORGANIZATIONS:** The signatory executing the Contract on behalf of Seller represents that neither Seller nor any of its parent company, wholly-owned subsidiaries, 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 entity and

each of its parent company, wholly-owned subsidiaries, 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 signatory understands “affiliate” to mean any entity that controls, is controlled by, or is under common control with the signatory and exists to make a profit.

SECTION 5 ADDITIONAL CONDITIONS FOR PUBLIC WORKS CONSTRUCTION CONTRACTS

ADDITIONAL CONDITIONS FOR PUBLIC WORKS CONSTRUCTION CONTRACTS

1. **APPLICATION:** The following additional conditions apply to projects for which a Public Works Construction Contract will be executed.

2. **QUALIFICATIONS OF BIDDER:** The City may make such investigations as it deems necessary to determine the ability of the bidder to perform the work, and the bidder shall furnish to the City all such information and data for this purpose as the City may request. The City reserves the right to reject any bid if the evidence submitted by, or investigation of, such bidder fails to satisfy the City that such bidder is properly qualified to carry out the obligations of the contract and to complete the work contemplated herein. The following list is not exclusive:

Five (5) Prior Projects: Bidder participants, whether general contractor, prime contractor, joint venture contractor or subcontractor, shall provide documented evidence of having completed at least five (5) projects for the installation and construction of facilities similar in nature to the project being bid and having 10 years experience. Bidder shall be required to submit references of previous projects to enable the City to verify references. This experience documentation shall be submitted prior to, and as a special requirement for, being considered for award of the contract for the subject project. Any bid may be rejected if the City determines that the Bidder has not provided documented evidence of having successfully and timely completed at least five (5) projects that are similar in nature, scope, and size as that contemplated herein. The city may make inquiry with the owners of any other projects. Conditional bids will not be accepted. This information should include at a minimum:

Names and addresses of similar projects
Owner's Name
Owner's representative including telephone number and email address
Architect or Engineer Name
Architect or Engineer representative including telephone number and email address

Financial Statements: A bid may be rejected if the City determines that the bidder lacks sufficient financial resources or soundness to commence, operate and complete the Project. Bidders shall, in addition to other documents required herein, provide recent financial statements covering the two immediately preceding calendar years. Financial statements should be marked or stamped "CONFIDENTIAL" by the Bidder and, to the fullest extent allowed by law, will be kept and maintained as confidential by the City. Financial statements must demonstrate sufficient assets, resources, and income, based on the nature, scope and size of the Project, to demonstrate to the City's sole satisfaction, that the Bidder has the financial capacity to fully perform the Project. The City's review and evaluation of the financial soundness of the Bidder is solely and exclusively within the City's sole discretion.

Subcontractors: At least 51% of the work must be completed by the primary contractor and the City reserves the right to approve all sub-contractors. Sub-contractor information must be submitted with the bid for evaluation.

3. **BID SECURITY:** Each bid must be accompanied by a certified check of the bidder, or a bid bond, duly executed by the bidder as principal and having as surety thereon a surety company approved by the city, in the amount of 5% of the bid. Such checks will be returned thirty days after the award of the contract, or, if no award has been made within 90 days after the date of the opening of bids, upon demand of the bidder at any time thereafter, so long as he has not been notified of the acceptance of his bid.

The successful bidder, upon his failure or refusal to execute and deliver the contract and bonds required within 10 days after he has received notice of the acceptance of his bid, shall forfeit to the City the security deposited with his bid.

4. **TIME OF COMPLETION AND LIQUIDATED DAMAGES:** Bidders must agree to commence work on or before a date to be specified in a written "Notice to Proceed" of the City and to fully complete the project within the specified time as stated in the proposal.

   TIME IS OF THE ESSENCE IN THE PERFORMANCE OF THIS PROJECT. THE CITY EMPLOYS A ZERO-TOLERANCE POLICY FOR TIME OF COMPLETION. FAILURE TO MEET THE CONTRACTUAL DEADLINE, OR A DELAY IN MEETING PROJECT SCHEDULES, MAY BE DEEMED A DEFAULT.

   Liquidated damages may be imposed per Section 3.4.1 of the Public Works Construction Contract due to work delay.

5. **SECURITY FOR FAITHFUL PERFORMANCE:** Simultaneously with his delivery of the executed contract, the Contractor shall furnish Performance Bond in the amount of one hundred fifteen percent (115%) and Payment Bond in the amount of one hundred percent (100%) of the total contract price as security for faithful performance of this contract and for the payment of all persons performing labor on the project under this contract and furnishing materials in connection with this contract, as specified in the Special Conditions included herein. The surety on such bond or bonds shall be a duly authorized surety company satisfactory to the City.

6. **LIQUIDATED DAMAGES FOR FAILURE TO ENTER INTO CONTRACT:** The successful bidder, upon his failure or refusal to execute and deliver the contract and bonds required within 10 days after he has received notice of the acceptance of his bid, shall forfeit to the City, as liquidated damages for such failure or refusal, the security deposited with his bid. This liquidated damage amount is not a penalty but is, instead, a reasonable forecast of actual damages that the City may sustain were the bidder to default.

7. **MAINTENANCE BOND:** A Maintenance Bond for two years from the formal date of final acceptance in the amount of 100% of the final contract price to cover defective workmanship of materials is required for all projects as discussed in the Special Conditions.

8. **POWER OF ATTORNEY:** Attorneys-in-fact who sign bid bonds or contract bonds must file with each bond a certified and effectively dated copy of their power of attorney.

9. **CONDITIONS OF WORK:** Each bidder must inform himself fully of the conditions relating to the construction of the project and the employment of labor thereon. Failure to do so will not relieve a successful bidder of his obligation to furnish all material and labor necessary to carry out the provisions of his contract. Insofar as possible, the Contractor, in carrying out his work, must employ such methods or means as will not cause any interruption of or interference with the work of any other contractor and will be responsible for coordination with utilities on site.

10. **ADDENDA AND INTERPRETATIONS:** Bidders are responsible for a thorough review of the contract documents, plans and specifications. Bidders shall assume all risk of any ambiguities. Thus, it is imperative that bidders be familiar with the contract documents as well as the job site. If there is any ambiguity in the plans and specifications that give rise to two or more different interpretations of the work called for, the bidder will be assumed to have bid the most expensive alternative.

    No interpretation of the meaning of plans, specifications, or other pre-bid documents will be made to any bidder orally. Every inquiry or request for such interpretation should be in writing addressed to the Purchasing Office at purchasing@rowlett.com and any architectural or engineering firm included in any special instructions. To be given consideration requests must be received at least three days prior to the date fixed

for the opening of bids. All such interpretations and any supplemental instructions will be in the form of written addenda to the specifications which, if issued, will be posted through the eProcurement at https://www.bidnetdirect.com. Bidders are expected to check the eProcurement system for all addenda not later than two days prior to the date fixed for opening of bids. Failure of any bidder to receive any such addendum or interpretation shall not relieve such bidder from any obligation under his bid as submitted. All addenda so issued shall become part of the contract documents.

11. **NOTICE OF SPECIAL CONDITIONS:** Attention is particularly called to those parts of the contract documents and specifications which deal with the following:

a. Inspection and testing of materials
b. Insurance requirements
c. Prevailing Wage rates
d. Stated allowances
e. 100% maintenance bond (Construction projects exceeding $50,000)
f. 100% payment bond (Construction projects exceeding $50,000)
g. 115% performance bond (Construction projects exceeding $100,000)

12. **LAWS AND REGULATIONS:** The bidder's attention is directed to the fact that all applicable State laws, municipal ordinances, and rules and regulations of all authorities having jurisdiction over construction of the project shall apply to the contract throughout, and they will be deemed to be included in the contract the same as though herein written out in full.

13. **OBLIGATION OF BIDDERS:** At the time of the opening of bids each bidder will be presumed to have inspected the site and to have read and to be thoroughly familiar with the plans and contract documents (including all addenda). The failure or omission of any bidder to examine any form, instrument or document shall in no way relieve the bidder from any obligation in respect to his bid.

14. **WORK ORDER CHANGES:** It is understood that the quantities of work to be done at unit prices are approximate only and are intended principally to serve as a guide in evaluating bids. Any change order will be approved by the City prior to work being started on said change.

It is further agreed that the quantities of work to be done at unit prices and materials to be furnished may be increased or diminished as may be considered necessary, in the opinion of the Engineer, to complete the work fully as planned and contemplated and that all quantities of work, whether increased or decreased, are to be performed at the unit prices set forth except as provided for in the specifications. The City reserves the right to increase or decrease the amount of work to be done by any amount not to exceed twenty-five percent (25%) of the original contract amount except as noted in the Measurement and Payment Section. In the event the increase pertains to items not originally bid, the Contractor shall submit a bid in writing to the Engineer for approval.

It is further agreed that lump sum prices may be increased to cover additional work ordered by the Engineer but not shown on the plans or required by the specifications, in accordance with the provisions of the general conditions; similarly, they may be decreased to cover deletion of work so ordered.

The City reserves the right to reject the Contractor's bid on such extra work and secure such work to be done other than by said Contractor.

The time for performance set forth in the contract documents contemplates normal bad weather days and typical construction delays. Extensions in the time for performance may be given or allowed for if and only if the extension is approved by the City and the approval is evidenced by a written and signed Change Order.

15. **MINIMUM WAGE RATES:** Each bidder, contractor or subcontractor shall comply with the Texas Minimum Wage Act, Texas Labor Code regarding prevailing minimum wages.

16. **RETAINAGE:** Retainage will be withheld on this project according to Section 5.2.5 of the Public Works Construction contract.

17. **DIGITAL DATA SUBMISSION:** Any contract that requires a mapping submission must meet the standards stated per document "Digital Data Submissions Standards" provided on page 22.

18. **SALES TAX LAW:** Legislation has removed the sales tax exemption previously provided by Section 151.311 of the Tax Code covering tangible personal property purchased by a contractor for use in the performance of a contract for the improvement of City-owned realty.

    It is still possible, however, for a contractor to make tax-free purchases of tangible personal property which will be incorporated into and become a part of a City construction project through the use of a "separated contract" with the City. A "separated contract" is one which separates charges for materials from charges for labor. Under such a contract, the Contractor becomes a "seller" of those materials which are incorporated into the project, such as bricks, lumber, concrete, paint, etc. The Contractor issues a resale certificate in lieu of paying the sales tax at the time such items are purchased. The Contractor then receives an exemption certificate from the City for those materials. (This procedure may not be used, however, for materials which do not become a part of the finished product. For example, equipment rentals, form materials, etc. are not considered as becoming "incorporated" into the project.)

    Utilization of this "separated contract" approach eliminates the need for bidders to figure in sales tax for materials which are to be incorporated into the project. The bidder should therefore be certain, when completing the bid form, to separate the bid as provided on the bid form. The successful bidder, prior to award of a construction contract, shall furnish a complete bid form separating by each item taxable and non-taxable amounts of the amount bid.

19. **PREFERENCE FOR RECYCLED PRODUCT:** Per Texas Administrative Code, Title 30 Environmental Quality, Part 1 Texas Commission on Environmental Quality, Chapter 328, Subchapter k., Rule 328.203, the City of Rowlett is required to give preference in purchasing to products made of recycled materials if the products meet applicable specifications as to quantity and quality and the average price of the product is not more than 10% greater than the price of comparable nonrecycled products. Preferences will be applied in accordance with state procurement statutes and rules.

    The City relies on vendors to correctly represent the products offered in response to a solicitation and will not be responsible for incorrect information provided by an offeror/vendor. Categories of recycled products and recommended percentages of post-consumer materials and total recovered materials content can be found in the Environmental Protection Agency's Comprehensive Procurement Guidelines at Comprehensive Procurement Guideline (CPG) Program | US EPA.

20. **WORKING DAYS AND HOURS:** The contractor must commence work within ten (10) days of the notice to proceed or work order date. Working days will be charged Monday through Friday, excluding national holidays, regardless of weather conditions or material availability. No work is allowed on Sundays or official City holidays. The Contractor has the option of working on Saturdays at the City's discretion. Prior written authorization from the City is required.

    Requests for after-hours engineering inspections must be submitted in writing at least 48 hours in advance, with cancellations communicated by 4:00 P.M. the day before to avoid a two-hour minimum fee; same-day cancellations, except for weather-related issues, will incur the same charge. The after-hours inspection fee is $75 per hour, with a minimum of two hours, and project acceptance is contingent upon the full payment of

all inspection fees. Any work done without proper inspection is subject to removal and replacement as directed by the City.

Digital Data Submission Standards

The City of Rowlett has adopted geographic information system (GIS) technologies to store, manage, and maintain spatially related (geographic) data. The land development, civil engineering, and surveying communities have also embraced digital technologies in their respective professional communities. Because development plans are now created using computer aided design and drafting (CAD), it is the goal of City of Rowlett to leverage such advanced techniques to expedite the design and plan review processes within the city. For such an effort to succeed, standards must be implemented to allow CAD data to be integrated into the City's GIS while preserving the referential and positional accuracy of the original measurements. These standards will enhance file transfer abilities between the City of Rowlett, developers, and engineers as well as between departments of the City of Rowlett. The process will also improve efficiency in the form of data input time, cost, manpower, and services at the City of Rowlett.

Each submission must contain:

- One digital **CAD** file of the plan **.dwg** or **.dxf** or ESRI **.shp** file.
- One digital **PDF** of the plan.

Digital File Format:

- Autodesk Autocad **.dwg** format version 2000 – 2013 or a **.dxf** format.
- ESRI **.shp** format must also include associated **.dbf**, **.shx** files.
- No polylines or annotation shall be stored in blocks. Explode all blocks that do exist. (Block references migrate to GIS as a single point at the block's insertion point).
- No annotation shall be included in any feature layer and no feature shall be included in any annotation layer. Annotation for each layer shall be placed in annotation layers.
- Drawing features shall include layer names. Systems using numbered levels, such as Microstation, must include a conversion table in the .dxf file creation process that can be used to specify named layers.
- Closure is critical in converting CAD elements to GIS features. If appropriate (ie. parcel boundaries, subdivision boundary, buildings), all polygonal features shall be 'snapped' closed.

Spatial Reference Information:

Digital data provided to or produced for the city must be **georeferenced**. Please tie all surveys to the **State Plane** coordinate system. The standard coordinate system for City:

Projected coordinate system name:	**NAD1983 State Plane Texas North Central FIPS 4202**
Geographic coordinate system name:	GCS North American 1983
Map Projection Name:	Lambert Conformal Conic
Planar Distance Units:	Survey Feet

Delivery:

Send an email with the CAD drawings along with the title of the drawing, type of drawing (e.g., As-built, Final Plat, etc). For any questions, please email gis@rowlett.com

SECTION 6 BID FORMS

BID FORM
BID NO. 2026-43-B
COUNTRY AIRE ESTATES PHASE 2 RECONSTRUCTION

Item No.	Quantity	Units	Description	Unit Price	Extended Amount
1	1	LS	MOBILIZATION (5% Maximum)	$130,000.00	$130,000.00
2	1	LS	ROW Preparation (Clearing and Grubbing) (Ref. NCTCOG ITEM #203)	$30,000.00	$30,000.00
3	1	LS	Develop & Implement SWPPP	$10,000.00	$10,000.00
4	10	MO	Traffic Control	$2,675.00	$26,750.00
5	5,000	LF	Trench Safety (Including Trench Safety Design)	$4.00	$20,000.00
6	2,200	CY	Unclassified Street Excavation	$40.00	$88,000.00
7	7,200	SY	Remove & Dispose of Conc./Asphalt Pavement & Drive	$13.00	$93,600.00
8	2,200	SY	Remove & Dispose of Concrete Sidewalk	$9.00	$19,800.00
9	2,700	SY	8" Flex Base	$25.00	$67,500.00
10	7,800	SY	8" Reinforced Concrete Pavement	$88.00	$686,400.00
11	115	SY	8" Reinforced Concrete Alley Pavement	$105.00	$12,075.00
12	6	EA	One Directional Barrier Free Ramp	$2,100.00	$12,600.00
13	2	EA	Two Directional Barrier Free Ramp	$3,000.00	$6,000.00
14	2	EA	TXDOT PED-18 Type 3 Barrier Free Ramp	$2,600.00	$5,200.00
15	1	EA	TXDOT PED-18 Type 3 Barrier Free Ramp (Mod.)	$2,700.00	$2,700.00
16	1,850	SY	4" Concrete Sidewalk	$68.00	$125,800.00
17	36	EA	Concrete Steps (w/ Edge Wall)	$800.00	$28,800.00

Item No.	Estimated Quantity	Units	Description	Unit Cost	Total Amount
18	7	EA	Remove & Replace Signs With New Posts	$650.00	$4,550.00
19	100	LF	Remove Retaining Wall	$7.00	$700.00
20	135	LF	Remove & Reset Concrete Block Retaining Wall	$70.00	$9,450.00
21	920	SY	Concrete Sidewalk w/ Retaining Wall Up to 18" Tall	$130.00	$119,600.00
22	2,300	LF	8" PVC SDR 35 Sanitary Sewer Pipe	$55.00	$126,500.00
23	31	EA	San. Sewer Service Conn. (Short Side)	$1,200.00	$37,200.00
24	24	EA	San. Sewer Service Conn. (Long Side)	$2,500.00	$60,000.00
25	2,200	LF	Remove Ex. SS Line	$2.00	$4,400.00
26	2	EA	Connect to Ex. Manhole	$350.00	$700.00
27	4	EA	Remove Ex. Manhole	$600.00	$2,400.00
28	3	EA	Remove Ex. End-Of-Line Cleanout	$300.00	$900.00
29	26	LF	14" Schedule 20 Steel Pipe Encasement	$170.00	$4,420.00
30	120	LF	14" PVC SDR 26 Encasement Pipe w/ Spacers & End Seal	$125.00	$15,000.00
31	2,500	LF	8" PVC Water Pipe	$70.00	$175,000.00
32	5	EA	Fire Hydrant Assembly	$6,700.00	$33,500.00
33	4	EA	Remove & Salvage Ex. Fire Hydrant	$700.00	$2,800.00
34	26	EA	1" Water Service (Short Side Service)	$850.00	$22,100.00
35	31	EA	1" Water Service (Long Side Service)	$1,800.00	$55,800.00

Item No.	Estimated Quantity	Units	Description	Unit Cost	Total Amount
36	54	EA	Relocate Ex. Water Meter (W/ New Meter Box)	$650.00	$35,100.00
37	540	LF	Remove 6" & 8" Water Lines	$12.00	$6,480.00
38	11	EA	8" Gate Valves	$2,900.00	$31,900.00
39	5	EA	6" Gate Valves	$2,100.00	$10,500.00
40	1,900	LF	Abandon Existing Water	$10.00	$19,000.00
41	3	EA	Connect to Ex. Water	$2,500.00	$7,500.00
42	40	LF	21" Class III RCP Storm Pipe	$100.00	$4,000.00
43	100	LF	24" Class III RCP Storm Pipe	$110.00	$11,000.00
44	350	LF	36" Class III RCP Storm Pipe	$180.00	$63,000.00
45	1	EA	Storm Drain Manhole Type B	$6,800.00	$6,800.00
46	1	EA	10' Curb Inlets	$7,000.00	$7,000.00
47	1	EA	12' Curb Inlets	$7,500.00	$7,500.00
48	1	EA	TXDOT PCU Curb Inlet w/ Extensions Both Sides	$9,000.00	$9,000.00
49	1	EA	Connect to Ex. Storm Manhole	$800.00	$800.00
50	4	EA	Remove Ex. Storm Inlet	$800.00	$3,200.00
51	500	LF	Remove Ex. Storm Pipe (All Sizes)	$24.00	$12,000.00
52	6	EA	Remove Ex. Illumination Foundations	$800.00	$4,800.00
53	2,300	LF	2in HDPE Illumination Conduit (Including Tie in Ex. Pull Box)	$12.00	$27,600.00

Item No.	Quantity	Units	Description	Unit Cost	Total Amount
54	11	EA	Pull Box	$600.00	$6,600.00
55	9	EA	Remove Tree (Diameter < 10")	$850.00	$7,650.00
56	3	EA	Remove Tree (Diameter from 10" to 24")	$1,300.00	$3,900.00
57	12	EA	Tree Replacement (3")	$900.00	$10,800.00
58	4,100	SY	Furn. & Place Sodding within Construction Limits	$8.00	$32,800.00
59	5	EA	Remove & Reset Brick Mailbox	$1,700.00	$8,500.00
60	42	EA	Remove & Reset Standard Mailbox	$500.00	$21,000.00
TOTAL BASE BID					$

A. TOTAL BASE BID **$2,398,675.00**

ADDITIVE ALTERNATE #1

ITEM NO.	BID QUANTITY	UNITS	DESCRIPTION	UNIT COST	TOTAL AMOUNT
I.1	6	EA	5' Sanitary Sewer Concrete Manhole (All Depths)	$8,000.00	$48,000.00
I.2	1	EA	5' Sanitary Sewer Concrete Manhole With Eccentric Cone (All Depths)	$9,000.00	$9,000.00

A. TOTAL ADDITIVE ALTERNATE #1 **$57,000.00**

ADDITIVE ALTERNATE #2

ITEM NO.	BID QUANTITY	UNITS	DESCRIPTION	UNIT COST	TOTAL AMOUNT
II.1	7	EA	5' Sanitary Sewer Polymer Concrete Manhole (All Depths) (Armorock or approved substitute)	$18,250.00	$127,750.00

B. TOTAL ADDITIVE ALTERNATE #2 **$127,750.00**

BID CERTIFICATION FORM
BID NO. 2026-43-B

The undersigned bidder having thoroughly examined the contract documents, including plans, specifications, the site of the project and understanding the amount of work to be done and the prevailing conditions, hereby proposes to do all the work, furnish all labor, equipment, and material, except as specified to be furnished by the City, which is necessary to fully complete all of the work as provided in the plans and contract documents and subject to the inspection and approval of the City of Rowlett, Texas, and binds himself upon acceptance and award of this bid to execute a contract and furnish all required insurance, sureties and bonds, as may be required by the contract documents for the performing and completing of said work. Contractor proposes to do the work within the time stated at the bid prices submitted on the Bid Form and agrees to abide by the terms and statutory requirements governing the solicitation process.

A. FIRM INFORMATION

Legal Name of Vendor: DDM Construction Corporation

Tax ID Number: 75-2597024 Telephone No: (940)726-1121, Option 2

State of Formation: Texas Year of Formation: 1995

Address: 306 W Overly Drive

Lake Dallas, Tx 75065

Contact Name and Title: Jae Cha, Chief Estimator

Contact Email Address: Jae@ddmcc.net

B. ADDENDA

All addenda shall be issued in written form by the Purchasing Office. The City is not bound by any oral representations, clarifications, or changes made in connection to the bid by the City's employees, agents or consultants unless in the form of a properly issued Addendum.

Recognizing this responsibility, the bidder hereby acknowledges receipt of the following Addenda:

Addendum 1 Initial JA Addendum _____ Initial _____

Addendum _____ Initial _____ Addendum _____ Initial _____

Addendum _____ Initial _____ Addendum _____ Initial _____

The failure of the bidder to contact the Owner to determine the issuance of any Addenda, or to acknowledge receipt of any and all of the Addenda issued in connection with this project, shall entitle the City, at its sole discretion, to (i) reject the bid as being non-responsive, or (ii) to accept the bid, in which event the bidder agrees to be bound by all of the terms and conditions of each unacknowledged Addendum.

C. CERTIFICATION

Within ten (10) days after acceptance of this Proposal, the undersigned will execute the formal contract and will deliver an approved Surety Bond and such other bonds as required by the Contract Documents, for the faithful performance of the Contract. The attached bid security in the amount of 5% is to become the property

of the Owner in the event the contract and bond or bonds are not executed and delivered within the time above set forth, as liquidated damages for the delay and additional work caused thereby.

The undersigned assures that its employees and applicants for employment and those of any labor organization, subcontractors, or employment agency in either furnishing or referring employee applicants to the undersigned are not discriminated against.

The bidder agrees to begin construction within 10 calendar days after the issuance of the Notice to Proceed with Construction (Work Order). **Substantial completion of the work will be achieved within 270 calendar days of the date indicated on the Notice to Proceed and final completion will be achieved within 30 calendar days after substantial completion.**

I certify that I have the legal authority to bind the bidder listed above, and I further certify that there are no objections to any of the terms and conditions listed in this bid document.

Signature of Authorized Representative: _____

Printed Name and Title of Authorized Representative: Zackery Markwardt, President & CEO

Date of Certification: 06/15/2026

SUBCONTRACTOR FORM

List of Major Subcontractors

The Bidder expressly agrees that:

1. If awarded a Contract as a result of this Bid, the major subcontractors used in the prosecution of the work will be those listed below, and

2. The following list includes all subcontractors who will perform work on this contract.

3. The Bidder represents that the subcontractors listed below are financially responsible and are qualified to perform the work required.

Category	Name of Subcontractor	Address	Meets Qualifications
Erosion & SWPPP	ProTex Erosion Control, LLC	3141 Horton Rd, Forest Hill, Tx 76119	Yes
Pipe Grouting	Superior Grouting Services, Inc.	8927 Meadow Vista Blvd, Houston, Tx 77064	Yes
Landscaping	Street Scapes Inc	P.O. Box 460, Lake Dallas, Tx 75065	Yes
Tree Removal	TreeNewal	1712 FM 407, Argyle, Tx 76226	Yes
Saw & Seal	Martinez Concrete Cutting & Removal	9137 Jesse Way, Crandall, Tx 75114	Yes
Sign	Dallas Lite & Barricades	2757 N Westmoreland Rd, Dallas, Tx 75212	Yes
Traffic Control	Dallas Lite & Barricades	2757 N Westmoreland Rd, Dallas, Tx 75212	Yes
SS Testing & TV Inspection	Magnum Manhole and Underground Company	428 N. First St, Garland, Tx 75040	Yes
Structures	CIP Concrete	4329 Reeder Drive, Carrollton, Tx 75010	Yes

BID BOND

BID NO. 2026-43-B

STATE OF TEXAS

COUNTY OF DALLAS

KNOW ALL MEN BY THESE PRESENTS: That we **DDM Construction Corporation** hereinafter referred to as "Principal", and **Continental Casualty Company**, a corporation organized and existing under the laws of the State of **Illinois**, with its principal office in the City of **Chicago** and fully licensed to transact business in the State of Texas, as Surety (herein referred to as "Surety"), are held and firmly bound unto the **CITY OF ROWLETT**, a home-rule municipal corporation organized and existing under the laws of the State of Texas, hereinafter referred to as "Owner", in the full and just sum of **Five Percent of Greatest Amount Bid** Dollars ($**5% GAB**) (five percent (5%) of the total bid price) in lawful money of the United States, to be paid in Dallas County, Texas, upon demand of the Owner, for the payment of which sum well and truly to be made, we bind ourselves, our heirs, executors, administrators and successors, jointly and severally, firmly by these presents.

WHEREAS, the Principal is about to submit, or has submitted to the Owner, a Bid for furnishing all labor, materials, equipment and incidentals necessary to perform, as described in these Contract Documents; and

WHEREAS, the Contractor desires to file this bond in accordance with law, in lieu of a certified bidder's check otherwise required to accompany this bid.

NOW, THEREFORE, The conditions of this obligation are such that if the Bid is accepted, the Principal shall, within ten (10) days after the date of receipt of a written notice of award of contract, execute a contract in accordance with the Bid and upon the terms, conditions and price(s) set forth therein, of form and manner required by the Owner, and execute a sufficient and satisfactory contract Performance Bond in an amount of One Hundred Fifteen Percent (115%), and a Payment Bond and Maintenance Bond, in an amount of One Hundred Percent (100%) of the total Contract price, each payable to the Owner, in form and with security satisfactory to said City of Rowlett, then this obligation to be void; otherwise to be and remain in full force and virtue in law; and the Surety shall, upon failure of the Principal to comply with any or all of the foregoing requirements within the time specified above, immediately pay to the aforesaid City of Rowlett, upon demand, the amount hereof in good and lawful money of the United States of America not as a penalty but as liquidated damages.

Surety companies executing Bonds must hold Certificates of Authority as Acceptable Sureties, must appear on the Treasury Department's most current list "A" Rating or better (Circular 570 as amended), and be authorized to transact business in the State of Texas.

PROVIDED FURTHER, that if any legal action were filed on this Bond, exclusive Venue shall lie in Dallas County, Texas.

[Signatures on the next page]

IN TESTIMONY THEREOF, The Principal and Surety have caused these presents to be duly signed and sealed this, the 16th day of June, 2026.

ATTEST:

By: _____
Signature

Michelle Ruez
Printed Name

Controller
Title

306 W Overly Drive
Address

Lake Dallas, Tx 75065
City, State, Zip Code

(940) 726-1121
Phone Number

ATTEST:

By: _____
Signature

Alyssa Beane
Printed Name
Witness

Title

941 West Ralph Hall Pkwy
Address

Rockwall, TX 75032
City, State, Zip Code

972-771-3861
Phone Number

PRINCIPAL:

DDM Construction Corporation
Company Name

By: _____
Signature

Zackery Markwardt
Printed Name

President & CEO
Title

306 W. Overly Dr.
Address

Lake Dallas, TX 75065
City, State, Zip Code

214-608-9413
Phone Number

SURETY:
Continental Casualty Company

By: _____
Signature

Cindy Rodriguez
Printed Name
Attorney-in-Fact

Title

151 N Franklin St
Address

Chicago, IL 60606-1821
City, State, Zip Code

877-633-5600
Phone Number

The Resident Agent of the Surety in Dallas County, Texas, for delivery of notice and service of the process is:

NAME: Brett Robinson

STREET ADDRESS: 8416 Forest Hills Blvd.

CITY, STATE, ZIP: Dallas, TX 75218

POWER OF ATTORNEY APPOINTING INDIVIDUAL ATTORNEY-IN-FACT

Know All Men By These Presents, That Continental Casualty Company, an Illinois insurance company, National Fire Insurance Company of Hartford, an Illinois insurance company, and American Casualty Company of Reading, Pennsylvania, a Pennsylvania insurance company (herein called "the CNA Companies"), are duly organized and existing insurance companies having their principal offices in the City of Chicago, and State of Illinois, and that they do by virtue of the signatures and seals herein affixed hereby make, constitute and appoint

James W Leeker, William P Rutherford, Linda S Nichols, Cindy Rodriguez, Russell Jones, Individually

of Rockwall, TX, their true and lawful Attorney(s)-in-Fact with full power and authority hereby conferred to sign, seal and execute for and on their behalf bonds, undertakings and other obligatory instruments of similar nature

- In Unlimited Amounts -

and to bind them thereby as fully and to the same extent as if such instruments were signed by a duly authorized officer of their insurance companies and all the acts of said Attorney, pursuant to the authority hereby given is hereby ratified and confirmed.

This Power of Attorney is made and executed pursuant to and by authority of the By-Laws and Resolutions, printed below, duly adopted, as indicated, by the Boards of Directors of the insurance companies.

In Witness Whereof, the CNA Companies have caused these presents to be signed by their Vice President and their corporate seals to be hereto affixed on this 24th day of February, 2026.

Continental Casualty Company
National Fire Insurance Company of Hartford
American Casualty Company of Reading, Pennsylvania

Larry Kasten — Vice President

State of South Dakota, County of Minnehaha, ss:

On this 24th day of February, 2026, before me personally came Larry Kasten to me known, who, being by me duly sworn, did depose and say: that he resides in the City of Sioux Falls, State of South Dakota; that he is a Vice President of Continental Casualty Company, an Illinois insurance company, National Fire Insurance Company of Hartford, an Illinois insurance company, and American Casualty Company of Reading, Pennsylvania, a Pennsylvania insurance company described in and which executed the above instrument; that he knows the seals of said insurance companies; that the seals affixed to the said instrument are such corporate seals; that they were so affixed pursuant to authority given by the Boards of Directors of said insurance companies and that he signed his name thereto pursuant to like authority, and acknowledges same to be the act and deed of said insurance companies.

My commission expires

December 4, 2031

K. WALSH NOTARY PUBLIC SOUTH DAKOTA

K. Walsh — Notary Public

CERTIFICATE

I, Paula Kolsrud, Assistant Secretary of Continental Casualty Company, an Illinois insurance company, National Fire Insurance Company of Hartford, an Illinois insurance company, and American Casualty Company of Reading, Pennsylvania, a Pennsylvania insurance company do hereby certify that the Power of Attorney herein above set forth is still in force, and further certify that the By-Laws and Resolutions of the Board of Directors of the insurance companies printed below are still in force. In testimony whereof I have hereunto subscribed my name and affixed the seal of the said insurance companies this 16th day of June , 2026 .

Continental Casualty Company
National Fire Insurance Company of Hartford
American Casualty Company of Reading, Pennsylvania

Paula Kolsrud — Assistant Secretary

Authorizing By-Laws and Resolutions

ADOPTED BY THE BOARD OF DIRECTORS OF EACH OF CONTINENTAL CASUALTY COMPANY, NATIONAL FIRE INSURANCE COMPANY OF HARTFORD, and AMERICAN CASUALTY COMPANY OF READING, PENNSYLVANIA (as defined above, the "CNA Companies"):

This Power of Attorney is made and executed pursuant to and by authority of the following resolution duly adopted by the Board of Directors of each of the above CNA Companies at a meeting held on May 12, 1995:

"RESOLVED: That any Senior or Group Vice President may authorize an officer to sign specific documents, agreements and instruments on behalf of the Company provided that the name of such authorized officer and a description of the documents, agreements or instruments that such officer may sign will be provided in writing by the Senior or Group Vice President to the Secretary of the Company prior to such execution becoming effective."

This Power of Attorney is signed by Larry Kasten, Vice President, who has been authorized pursuant to the above resolution to execute power of attorneys on behalf of each of the CNA Companies.

This Power of Attorney is signed and sealed by facsimile under and by the authority of the following Resolution adopted by the Board of Directors of each of the above Companies by unanimous written consent dated the 25th day of April, 2012:

"Whereas, the bylaws of the Company or specific resolution of the Board of Directors has authorized various officers (the "Authorized Officers") to execute various policies, bonds, undertakings and other obligatory instruments of like nature; and

Whereas, from time to time, the signature of the Authorized Officers, in addition to being provided in original, hard copy format, may be provided via facsimile or otherwise in an electronic format (collectively, "Electronic Signatures"); Now therefore be it resolved: that the Electronic Signature of any Authorized Officer shall be valid and binding on the Company."

This Power of Attorney may be signed by digital signature and sealed by a digital or otherwise electronic-formatted corporate seal under and by the authority of the following Resolution adopted by the Board of Directors of each of the above CNA Companies by unanimous written consent dated the 27th day of April, 2022:

"RESOLVED: That it is in the best interest of the Company to periodically ratify and confirm any corporate documents signed by digital signatures and to ratify and confirm the use of a digital or otherwise electronic-formatted corporate seal, each to be considered the act and deed of the Company."

Go to www.cnasurety.com > Owner / Obligee Services > Validate Bond Coverage, if you want to verify bond authenticity.

SECTION 7 INSURANCE REQUIREMENTS AND BOND FORMS

INSURANCE REQUIREMENTS
STANDARD INSURANCE REQUIREMENTS

Company shall procure and maintain for the duration of the contract, insurance coverages outlined herein which may arise from or be in connection with the performance of the work hereunder by the Company, his agents, representatives, employees or subcontractors. Any exceptions to the requirements or provisions herein shall be submitted in writing to the City's Risk Manager for consideration and approval. The decision of the City will be final. The cost of such insurance shall be borne by the Company.

1.0 GENERAL PROVISIONS

1.1 The Company shall obtain and maintain the minimum insurance coverage set forth in this section. By requiring such minimum insurance, the City of Rowlett shall not be deemed or construed to have assessed the risk that may or may not be applicable to the Company. The Company shall assess its own risks and if it deems appropriate and/or prudent, maintain higher limits and/or broader coverage. The Company is not relieved of any liability or other obligation assumed or pursuant to the Contract by reason of its failure to obtain or maintain insurance in sufficient amounts, duration, or types. The insurance requirements listed below do not replace any warranty or surety (performance, payment, or maintenance) bonds if required by preceding or subsequent sections of this contract.

1.2 Company shall cause each subcontractor employed by Company to purchase and maintain insurance of the type specified herein or cover such subcontractor under its insurance coverage.

1.3 The Company agrees that the insurance requirements specified in this section do not reduce the liability Company has assumed in any indemnification/hold harmless section of this contract.

1.4 City reserves the right to approve the security of the insurance coverage provided pursuant to this section by insurers including terms, conditions and the Certificate of Insurance. Failure of the Company to fully comply with requirements of this section during the term of this contract will be considered a material breach of contract and will be cause for immediate termination of the contract at the option of City.

1.5 Insurance coverage required by this section shall:

1.5.1 Be on a primary basis, non-contributory with any other insurance coverage and/or self-insurance carried by City.

1.5.2 Be with an insurer possessing an A-VII A. M. Best Rating or equivalent.

2.0 MINIMUM INSURANCE COVERAGE & LIMITS

2.1 Commercial General Liability. Company shall maintain commercial general liability and, if necessary, commercial umbrella or excess liability (umbrella or excess liability should be provided on follow-form policy).

2.2 Commercial general liability insurance shall be written on an ISO occurrence form CG 00 01 (or a substitute form providing equivalent coverage) and shall cover liability arising from premises, operations, independent Company's, product-completed operations, personal and advertising injury and liability assumed under an insured contract (including the tort liability of another assumed in a business contract).

2.3 City shall be included as an additional insured under the commercial general liability using ISO additional insured endorsement CG 20 10 07 04 and CG 20 37 07 04 or their equivalent, including coverage for City with respect to liability arising out of the completed operations of Company.

2.4 Limits of Insurance

Contracts between $0 and $1,000,000		
Type of Insurance	**Amount of Insurance**	**Provisions**
1. Commercial General (Public) Liability to include coverage for: a) Premises/Operations b) Products/Completed Operations c) Independent Contractors d) Personal Liability e) Contractual Liability	• $1,000,000 each occurrence • $2,000,000 general aggregate • $2,000,000 Umbrella/ Excess Liability (follow-form)	City to be listed as additional insured and provided 30-day notice of cancellation or material change in coverage City to be provided a waiver of Subrogation
2. Business Auto Liability	• $1,000,000 per occurrence • $1,000,000 aggregate or; • $1,000,000 combined single limits	City to be named as additional insured
3. Workers' Comp & Employers' Liability	• Statutory Limits • $1,000,000 each accident	City to be provided a waiver of subrogation
4. Builders Risk Policy	• 100% of construction total	If Applicable
5. Other Coverages a) Professional Liability b) E & O coverage c) Cyber Liability	• To be determined by the City's Risk Manager on a per project basis	If Applicable

Contracts between $1,000,000 and $8,000,000		
Type of Insurance	**Amount of Insurance**	**Provisions**
1. Broad Form Commercial General Liability to include coverage for: a) Premises/Operations b) Products/Completed Operations c) Independent Contractors d) Personal Liability e) Contractual Liability	• $2,000,000 each occurrence • $4,000,000 general aggregate • $4,000,000 Umbrella/ Excess Liability (follow-form)	City to be listed as additional insured and provided 30-day notice of cancellation or material change in coverage City to be provided a waiver of Subrogation
2. Business Auto Liability	• $1,000,000 per occurrence • $2,000,000 aggregate or;	City to be named as additional insured

	• $2,000,000 combined single limits	
3. Workers' Comp & Employers' Liability	• Statutory Limits • $1,000,000 each accident	City to be provided a waiver of subrogation
4. Builders Risk Policy	• 100% of construction total	If Applicable
5. Other Coverages a) Professional Liability b) E & O coverage c) Cyber Liability	• To be determined by the City's Risk Manager on a per project basis	If Applicable

2.4.1 If vendor is performing service-related work on City fleet, Garage Keeper Liability is required at a limit of not less than $1,000,000 per occurrence on a special form basis.

2.4.2 If contract has exposure for environmental hazards contact City's Risk Manager for specifications. (Including MCS-90).

2.4.3 Contracts for construction projects taking place in a high-risk flood zone area may require additional coverage requirements.

2.4.4 Insurance specifications for Contracts in excess of $8,000,000 will be determined by the City's Risk Manager.

2.5 Commercial Automobile Liability. Company shall maintain business automobile liability insurance and, if necessary, commercial umbrella liability insurance with a limit of not less than $1,000,000 per occurrence.

2.6 Such automobile liability insurance shall cover liability arising out of any auto (including owned, hired, and non-owned automobiles).

2.7 Commercial automobile coverage shall be written on ISO form CA 00 01, CA 00 05, CA 00 12, CA 00 20, or a substitute form providing equivalent liability coverage. If necessary, the policy shall be endorsed to provide contractual liability coverage equivalent to the amount provided in ISO form CA 00 01.

2.8 Company waives all rights against City and its agents, officers, directors and employees for recovery by the commercial automobile liability or commercial umbrella liability insurance obtained by Company pursuant to this section or under any applicable automobile physical damage coverage.

2.9 Workers' Compensation & Employer's Liability. Company shall maintain workers' compensation insurance with a limit of no less than $1,000,000 each incident. The employers' liability limit and, if necessary, commercial umbrella coverage, shall not be less than $1,000,000 each accident for bodily injury by accident or $1,000,000 each employee for bodily injury by disease.

2.10 Company waives all rights against City and its agents, officers, directors and employees for recovery of damages under Company's workers' compensation and employers' liability in connection with scope of contract and completed operations.

3.0 EVIDENCE OF INSURANCE

3.1 Prior to commencement of work, and thereafter upon renewal or replacement of coverage required by this section, Company shall furnish City a certificate(s) of insurance, executed by a duly authorized representative of each insurer, showing compliance with this section. Company shall furnish copies of all endorsements as required by each section.

3.2 Failure of City to demand such certificate(s) or other evidence of full compliance with these insurance requirements or failure of City to identify a deficiency from evidence that is provided shall not be construed as a waiver of Company's obligation to maintain such insurance.

3.3 City shall have the right, but not the obligation, of prohibiting Company or any subcontractor from entering the project site until such certificates or other evidence that insurance has been placed in complete compliance with these requirements is received and approved by the City.

3.4 Failure to maintain required insurance may result in termination of this contract at sole option of the City.

3.5 **All Certificates of Insurance need to reference job or contract number in comments section.**

3.6 **Certificate Holder shall be listed as follows: City of Rowlett, 4000 Main St., Rowlett, TX 75088**

WORKERS' COMPENSATION INSURANCE COVERAGE

WC.1 **DEFINITIONS**

Certificate of coverage ("certificate"): A copy of a certificate of insurance, a certificate of authority to self-insure issued by the commission, or a coverage agreement (TWCC- 81, TWCC-82, TWCC-83, or TWCC-84), showing statutory workers' compensation insurance coverage for the person's or entity's employees providing services on a project, for the duration of the project.

Duration of the project: Includes the time from the beginning of the work on the project until the contractor's/persons work on the project has been completed and accepted by the governmental entity.

Persons providing services on the project ("subcontractor" in 1.03): Includes all persons or entities performing all or part of the services the contractor has undertaken to perform on the project, regardless of whether that person contracted directly with the contractor and regardless of whether that person has employees. This includes, without limitation, independent contractors, subcontractors, leasing companies, motor carriers, CITY-operators, employees of any such entity, or employees of any entity which furnishes persons to provide services on the project. "Services" include, without limitation, providing, hauling, or delivering equipment or materials, or providing labor, transportation or other service related to a project. "Services" does not include activities unrelated to the project, such as food/beverage vendors, office supply deliveries and delivery of portable toilets.

WC.2 The contractor shall provide coverage, based on proper reporting of classification codes and payroll amounts and filing of any coverage agreements, which meets the statutory requirements of Texas Labor Code, Section 401.011(44) for all employees of the contractor providing services on the project, for the duration of the project.

WC.3 The contractor must provide a certificate of coverage to governmental entity prior to being awarded the contract.

WC.4 If the coverage period shown on the contractor's current certificate of coverage ends during the duration of the project, the contractor must, prior to the end of the coverage period, file a new certificate of coverage with the governmental entity showing that coverage has been extended.

WC.5 The contractor shall obtain from each person providing services on a project, and provide to the governmental entity:

(1) a certificate of coverage, prior to that person beginning work on the

project, so the governmental entity will have on file certificates of coverage showing coverage for all persons providing services on the project, and,

(2) no later than seven (7) days after receipt by the contractor, a new certificate of coverage showing extension of coverage, if the coverage period shown on the current certificate of coverage ends during the duration of the project.

WC.6 The contractor shall retain all required certificates of coverage for the duration of the project and for one year thereafter.

WC.7 The contractor shall notify the governmental entity in writing by certified mail or personal delivery, within ten (10) days after the contractor knows or should have known, or any change that materially affects the provision of coverage of any person providing services on the project.

WC.8 The contractor shall post on each project site a notice, in the text, form and manner prescribed by the Texas Workers' Compensation Commission, information all persons providing services on the project that they are required to be offered, and stating how a person may verify coverage and report lack of coverage.

WC.9 The contractor shall contractually require each person with whom it contracts to provide services on a project, to:

(1) provide coverage, based on proper reporting of classification codes and payroll amounts and filing of any coverage agreements, which meets the statutory requirements of Texas Labor Code, Section 401.011(44) for all of its employees providing services on the project, for the duration of the project;

(2) provide the contractor, prior to that person beginning work on the project, a certificate of coverage showing that coverage is being provided for all employees of the person providing services on the project, for the duration of the project;

(3) provide the contractor, prior to the end of the coverage period, a new certificate of coverage showing extension of coverage, if the coverage period shown on the current certificate of coverage ends during the duration of the project;

(4) obtain from each other person with whom it contracts, and provide to the contractor:

(a) a certificate of coverage, prior to the other person beginning work on the project; and,

(b) a new certificate of coverage showing extension of

coverage, prior tot he end of the coverage period, if the coverage period shown on the current certificate of coverage ends during the duration of the project;

(5) retain all required certificates of coverage on file for the duration of the project and for one (1) year thereafter;

(6) notify the governmental entity in writing by certified mail or personal delivery, within ten (10) days after the person knows or should have known, of any change that materially affects the provision of coverage of any person providing services on the project; and,

(7) contractually require each person with whom it contracts, to perform as required by paragraphs (1)-(7), with the certificates of coverage to be provided to the person for whom they are providing services.

WC.10 By signing this contract or providing or causing to be provided a certificate of coverage, the contractor is representing to the governmental entity that all employees of the contractor who will provide services on the project will be covered by workers' compensation coverage for the duration of the project, that the coverage will be based on proper reporting of classification codes and payroll amounts, and that all coverage agreements will be filed with the appropriate insurance carrier or, in the case of a self- insured, with the commission's Division of Self-Insurance Regulation. Providing false or misleading information may subject the contractor to administrative penalties, criminal penalties, civil penalties, or other civil actions.

WC.11 The contractor's failure to comply with any of these provision is a breach of contract by the contractor which entities the governmental entity to declare the contract void if the contractor does not remedy the breach within ten (10) days after receipt of notice of breach from the governmental entity.

WC.12 The contractor shall indemnify the governmental entity and hold it harmless for any amounts sought against the governmental entity by any employee or independent sub- contractor. The contractor further agrees to assist City in the defense of any attempts to assert a worker's compensation subrogation lien by any medical insurer, including, but not limited to, the release and disclosure of all files and documents that would be relevant or pertinent to the City's defense.

PERFORMANCE BOND

STATE OF TEXAS

COUNTY OF DALLAS

KNOW ALL MEN BY THESE PRESENTS: That _____ whose address is _____, hereinafter referred to as "Principal", and _____, a corporation organized and existing under the laws of the State of _____, and fully licensed to transact business in the State of Texas, as Surety (herein referred to as "Surety"), are held and firmly bound unto the **CITY OF ROWLETT**, a home-rule municipal corporation organized and existing under the laws of the State of Texas, hereinafter referred to as "Owner", in the penal sum of _____ Dollars ($_____) (one hundred percent (115%) of the total bid price) in lawful money of the United States, to be paid in Dallas County, Texas, for the payment of which sum well and truly to be made, we bind ourselves, our heirs, executors, administrators and successors, jointly and severally, firmly by these presents. The penal sum of this Bond shall automatically be increased by the amount of any Change Order or Supplemental Agreement, which increases the Contract price, but in no event shall a Change Order or Supplemental Agreement, which reduces the Contract price, decrease the penal sum of this Bond.

THE OBLIGATION TO PAY SAME is conditioned as follows: Whereas, the Principal entered into a certain Contract with the City of Rowlett, the Owner, dated on or about the _____ day of _____, A.D. 20____, a copy of which is attached hereto and made a part hereof, to furnish all materials, equipment, labor, supervision, and other accessories necessary for the construction of:

BID NO. 2026-43-B

COUNTRY AIRE ESTATES PHASE 2 RECONSTRUCTION

in the City of Rowlett, Texas, as more particularly described and designated in the above-referenced contract such contract being incorporated herein and made a part hereof as fully and to the same extent as if written herein word for word.

NOW, THEREFORE, if the Principal shall well, truly and faithfully perform and fulfill all of the undertakings, covenants, terms, conditions and agreements of said Contract in accordance with the Plans, Specifications and Contract Documents during the original term thereof and any extension thereof which may be granted by the Owner, with or without notice to the Surety, and during the life of any guaranty or warranty required under this Contract, and shall also well and truly perform and fulfill all the undertakings, covenants, terms, conditions and agreements of any and all duly authorized modifications of said Contract that may hereafter be made, notice of which modifications to the Surety being hereby waived; and, if the Principal shall repair and/or replace all defects due to faulty materials and workmanship that appear within a period of one (1) year from the date of final completion and final acceptance of the Work by Owner; and, if the Principal shall fully indemnify and save harmless the Beneficiary from and against all costs and damages which Owner may suffer by reason of failure to so perform herein and shall fully reimburse and repay Owner all outlay and expense which the Owner may incur in making good any default or deficiency, then this obligation shall be void; otherwise, it shall remain in full force and effect.

PROVIDED FURTHER, that if any legal action were filed on this Bond, exclusive Venue shall lie in Dallas County, Texas.

AND PROVIDED FURTHER, that the said Surety, for value received, hereby stipulates and agrees that no change, extension of time, alteration or addition to the terms of the Contract or to the Work to be performed thereunder or the Plans, Specifications and Drawings, etc., accompanying the same shall in anywise affect its obligation on this Bond, and it does hereby waive notice of any such change, extension of time, alteration or addition to the terms of the Contract, or to the Work or to the Specifications.

This Bond is given pursuant to the provisions of Chapter 2253 of the Texas Government Code, and any other applicable statutes of the State of Texas.

The undersigned and designated agent is hereby designated by the Surety herein as the Resident Agent in Dallas County to whom any requisite notices may be delivered and on whom service of process may be had in matters arising out of such suretyship, as provided by Article 7.19-1 of the Insurance Code, Vernon's Annotated Civil Statutes of the State of Texas.

IN WITNESS WHEREOF, this instrument is executed and shall be deemed an original, this, the _____ day of _____, 20____.

ATTEST:	**PRINCIPAL**:
	_____
	Company Name
By: _____	By: _____
Signature	Signature
_____	_____
Printed Name	Printed Name
_____	_____
Title	Title
_____	_____
Address	Address
_____	_____
City, State, Zip Code	City, State, Zip Code
_____	_____
Phone Number	Phone Number

[*Signatures continued on following page*]

ATTEST:	**SURETY**:
By: _____ Signature	By: _____ Signature
_____ Printed Name	_____ Printed Name
_____ Title	_____ Title
_____ Address	_____ Address
_____ City, State, Zip Code	_____ City, State, Zip Code
_____ Phone Number	_____ Phone Number

The Resident Agent of the Surety in Dallas County, Texas, for delivery of notice and service of the process is:

NAME: _____

STREET ADDRESS: _____

CITY, STATE, ZIP: _____

NOTE: Date on **Page 1** of Performance Bond must be **same date as Contract**. Date on **Page 2** of Performance Bond must be **after date of Contract**. If Resident Agent is not a corporation, give a person's name.

PAYMENT BOND

STATE OF TEXAS

COUNTY OF DALLAS

KNOW ALL MEN BY THESE PRESENTS: That _____ whose address is _____, hereinafter referred to as "Principal", and_____, a corporation organized and existing under the laws of the State of _____, and fully licensed to transact business in the State of Texas, as Surety (herein referred to as "Surety"), are held and firmly bound unto the **CITY OF ROWLETT**, a home-rule municipal corporation organized and existing under the laws of the State of Texas, hereinafter referred to as "Owner", and unto all persons, firms, and corporations who may furnish materials for, or perform labor upon the building or improvements hereinafter referred to in the penal sum of _____ _____DOLLARS ($_____) (one hundred percent (100%) of the total bid price) in lawful money of the United States, to be paid in Dallas County, Texas, for the payment of which sum well and truly to be made, we bind ourselves, our heirs, executors, administrators and successors, jointly and severally, firmly by these presents. The penal sum of this Bond shall automatically be increased by the amount of any Change Order or Supplemental Agreement, which increases the Contract price, but in no event shall a Change Order or Supplemental Agreement, which reduces the Contract price, decrease the penal sum of this Bond.

THE OBLIGATION TO PAY SAME is conditioned as follows: Whereas, the Principal entered into a certain Contract with the City of Rowlett, the Owner, dated on or about the _____ day of _____, A.D. 20___, a copy of which is attached hereto and made a part hereof, to furnish all materials, equipment, labor, supervision, and other accessories necessary for the construction of:

BID NO. 2026-43-B

COUNTRY AIRE ESTATES PHASE 2 RECONSTRUCTION

in the City of Rowlett, Texas, as more particularly described and designated in the above-referenced contract such contract being incorporated herein and made a part hereof as fully and to the same extent as if written herein word for word.

NOW, THEREFORE, if the Principal shall well, truly and faithfully perform its duties and make prompt payment to all persons, firms, subcontractors, corporations and claimants supplying labor and/or material in the prosecution of the Work provided for in the above-referenced Contract and any and all duly authorized modifications of said Contract that may hereafter be made, notice of which modification to the Surety is hereby expressly waived, then this obligation shall be void; otherwise it shall remain in full force and effect.

PROVIDED FURTHER, that if any legal action were filed on this Bond, exclusive Venue shall lie in Dallas County, Texas.

AND PROVIDED FURTHER, that the said Surety, for value received, hereby stipulates and agrees that no change, extension of time, alteration or addition to the terms of the Contract or to the Work to be performed thereunder or the Plans, Specifications and Drawings, etc., accompanying the same shall in anywise affect its obligation on this Bond, and it does hereby waive notice of any such change, extension of time, alteration or addition to the terms of the Contract, or to the Work to be performed thereunder.

This Bond is given pursuant to the provisions of Chapter 2253 of the Texas Government Code, and any other applicable statutes of the State of Texas.

The undersigned and designated agent is hereby designated by the Surety herein as the Resident Agent in Dallas County to whom any requisite notices may be delivered and on whom service of process may be had in matters arising out of such suretyship, as provided by Article 7.19-1 of the Insurance Code, Vernon's Annotated Civil Statutes of the State of Texas.

IN WITNESS WHEREOF, this instrument is executed and shall be deemed an original, this, the _____ day of _____, 20____.

ATTEST:	**PRINCIPAL**:
	_____
	Company Name
By: _____	By: _____
Signature	Signature
_____	_____
Printed Name	Printed Name
_____	_____
Title	Title
_____	_____
Address	Address
_____	_____
City, State, Zip Code	City, State, Zip Code
_____	_____
Phone Number	Phone Number

[*Signatures continued on following page*]

ATTEST:	**SURETY**:
By: _____ Signature	By: _____ Signature
_____ Printed Name	_____ Printed Name
_____ Title	_____ Title
_____ Address	_____ Address
_____ City, State, Zip Code	_____ City, State, Zip Code
_____ Phone Number	_____ Phone Number

The Resident Agent of the Surety in Dallas County, Texas, for delivery of notice and service of the process is:

NAME: _____

STREET ADDRESS: _____

CITY, STATE, ZIP: _____

NOTE: Date on **Page 1** of Payment Bond must be **same date as Contract**. Date on **Page 2** of Payment Bond must be **after date of Contract**. If Resident Agent is not a corporation, give a person's name.

MAINTENANCE BOND

STATE OF TEXAS

COUNTY OF DALLAS

KNOW ALL MEN BY THESE PRESENTS: That _____ whose address is _____, hereinafter called "Principal:, and_____, a corporation organized and existing under the laws of the State of _____, and fully licensed to transact business in the State of Texas, as Surety (herein referred to as "Surety"), are held and firmly bound unto the **CITY OF ROWLETT**, a home-rule municipal corporation organized and existing under the laws of the State of Texas, hereinafter called "Owner", and unto all persons, firms, and corporations who may furnish materials for, or perform labor upon the building or improvements hereinafter referred to in the penal sum of _____ _____ DOLLARS ($_____) (one hundred percent (100%) of the total bid price) in lawful money of the United States, to be paid in Dallas County, Texas, for the payment of which sum well and truly to be made, we bind ourselves, our heirs, executors, administrators and successors, jointly and severally, firmly by these presents. The penal sum of this Bond shall automatically be increased by the amount of any Change Order or Supplemental Agreement, which increases the Contract price, but in no event shall a Change Order or Supplemental Agreement, which reduces the Contract price, decrease the penal sum of this Bond.

WHEREAS, the Principal entered into a certain Contract with the City of Rowlett, the Owner, dated on or about the _____ day of _____, A.D. 20___, a copy of which is attached hereto and made a part hereof, to furnish all permits, licenses, bonds, insurance, products, materials, equipment, labor, supervision, and other accessories necessary for the construction of:

BID NO. 2026-43-B

COUNTRY AIRE ESTATES PHASE 2 RECONSTRUCTION

in the City of Rowlett, Texas, as more particularly described and designated in the above-referenced contract such contract being incorporated herein and made a part hereof as fully and to the same extent as if written herein word for word.

WHEREAS, in said Contract, the Principal binds itself to use first class materials and workmanship and of such kind and quality that for a period of two (2) years from the completion and final acceptance of the improvements by Owner the said improvements shall require no repairs, the necessity for which shall be occasioned by defects in workmanship or materials and during the period of two (2) years following the date of final acceptance of the Work by Owner, Principal binds itself to repair or reconstruct said improvements in whole or in part at any time within said period of time from the date of such notice as the City Manager or his designee shall determine to be necessary for the preservation of the public health, safety or welfare. If Principal does not repair or reconstruct the improvements within the time period designated, Owner shall be entitled to have said repairs made and charge Principal and/or Surety the cost of same under the terms of this Maintenance Bond.

NOW, THEREFORE, if Principal will maintain and keep in good repair the Work herein contracted to be done and performed for a period of two (2) years from the date of final acceptance and do and perform all necessary work and repair any defective condition (it being understood that the purpose of this section is to cover all defective conditions arising by reason of defective materials, work or labor performed by Principal) then this obligation shall be void;

otherwise it shall remain in full force and effect and Owner shall have and recover from Principal and its Surety damages in the premises as provided in the Plans and Specifications and Contract.

PROVIDED, however, that Principal hereby holds harmless and indemnifies Owner from and against any claim or liability for personal injury or property damage caused by and occurring during the performance of said maintenance and repair operation.

PROVIDED FURTHER, that if any legal action were filed on this Bond, exclusive Venue shall lie in Dallas County, Texas.

AND PROVIDED FURTHER, that the said Surety, for value received, hereby stipulates and agrees that no change, extension of time, alteration or addition to the terms of the Contract or to the Work to be performed thereunder or the Plans, Specifications and Drawings, etc., accompanying the same shall in anywise affect its obligation on this Bond, and it does hereby waive notice of any such change, extension of time, alteration or addition to the terms of the Contract, or to the Work to be performed thereunder.

This Bond is given pursuant to the provisions of Chapter 2253 of the Texas Government Code, and any other applicable statutes of the State of Texas.

The undersigned and designated agent is hereby designated by the Surety herein as the Resident Agent in Dallas County to whom any requisite notices may be delivered and on whom service of process may be had in matters arising out of such suretyship, as provided by Article 7.19-1 of the Insurance Code, Vernon's Annotated Civil Statutes of the State of Texas.

IN WITNESS WHEREOF, this instrument is executed and shall be deemed an original, this, the _____ day of _____, 20____.

ATTEST:	**PRINCIPAL**:
	_____
	Company Name
By: _____	By: _____
Signature	Signature
_____	_____
Printed Name	Printed Name
_____	_____
Title	Title
_____	_____
Address	Address
_____	_____
City, State, Zip Code	City, State, Zip Code
_____	_____
Phone Number	Phone Number

[*Signatures continued on following page*]

ATTEST:

By: _____
Signature

_____
Printed Name

_____
Title

_____
Address

_____
City, State, Zip Code

_____
Phone Number

SURETY:

By: _____
Signature

_____
Printed Name

_____
Title

_____
Address

_____
City, State, Zip Code

_____
Phone Number

The Resident Agent of the Surety in Dallas County, Texas, for delivery of notice and service of the process is:

NAME: _____

STREET ADDRESS: _____

CITY, STATE, ZIP: _____

SECTION 8 PREVAILING WAGE RATES

Pertinent Information Regarding Wage Rate Determinations and Monitoring

1. The Prevailing Wage Rate Determination is defined as (1) the Prevailing Wage Rate Determination Information sheet (document number WR1001), (2) the Prevailing Wage Rate Determination for Building Construction Trades, and (3) the Department of Labor (DOL) Heavy Highway Determination. The DOL Heavy Highway rates are to be paid to workers engaged in site work determined to be five (5) feet beyond the building, extending to the property boundary.

2. The General Contractor shall post the applicable Prevailing Wage Rate Determination in a prominent, easily accessible place at the work site. It shall be the responsibility of the City to ensure compliance.

3. The City shall ensure that not less than the posted, specified rates are paid to all classifications of workmen, mechanics and laborers employed by the General Contractor and/or Subcontractors, in the execution of their contract with the City. Contractors and Subcontractors will be monitored to ensure they are paying prevailing wage rates.

   A contractor or subcontractor who violates this section shall pay to the City on whose behalf the contract is made, $60 for each worker employed for each calendar day or part of the day that the worker is paid less than the wage rates stipulated in the contract.

   The City shall use any money collected under this section to offset the costs incurred in the administration of this task.

4. The City shall take cognizance of wage rate disputes and/or complaints of all violations of the provisions of Chapter 2258 Texas Government Code Title 10. Labor interviews will be conducted as required by the Davis-Bacon Act.

5. The City is not requiring that fringe benefits be paid on the project.

6. The rates specified in the bid documents are journeyman rates. The apprentice rate is commensurate with the experience and skill of the worker, but at a rate not less than 60% of the journeyman's wage. At no time shall a journeyman supervise more than one (1) apprentice.

   Note: The terms journeyman and apprentice apply to both union and independent workers, and are not intended to imply that these positions are union workers only.

Prevailing Wage Rate Determination Information

The following information is taken from Chapter 2258 Texas Government Code Title 10:

2258.021 Duty of Governmental Entity to Pay Prevailing Wage Rates

(a) The state or any political subdivision of the state shall pay a worker employed by it or on behalf of it;
(1) not less than the general prevailing rate of per diem wages for work of a similar character in the locality in which the work is performed; and
(2) not less than the general prevailing rate if per diem wages for legal holiday and overtime work.

(b) Subsection (a) does not apply to maintenance work.

(c) A worker is employed on a public work for the purposes of this section if the worker is employed by a contractor or subcontractor in the execution of a contract for the public work with the state, a political subdivision of the state, or any officer or public body of the state or a political subdivision of the state.

2258.023 Prevailing Wage Rates to be Paid by Contractor and Subcontractor; Penalty

(a) The contractor who is awarded a contract by a public body or a subcontractor of the contractor shall pay not less than the rates determined under Section 2258.22 to a worker employed by it in the execution of the contract.

(b) A contractor or subcontractor who violates this section shall pay to the state or a political subdivision of the state (City) on whose behalf the contract is made, $60 for each worker employed for each calendar day or part of the day that the worker is paid less than the wage rates stipulated in the contract. A public body awarding a contract shall specify this penalty in the contract.

(c) A contractor or subcontractor does not violate this section if a public body awarding a contract does not determine the prevailing wage rates and specify the rates in the contract as provided by Section 2258.022.

(d) The public body shall use any money collected under this section to offset the costs incurred in the administration of this chapter.

(e) A municipality is entitled to collect a penalty under this section only if the municipality has a population of more than 10,000.

2258.051 Duty of Public Body to Hear Complaints and Withhold Payment

A public body awarding a contract, and an agent or officer of the public body, shall;

(1) take cognizance of complaints of all violations of this chapter committed in the execution of the contract; and

(2) withhold money forfeited or required to be withheld under this chapter from the payments to the contractor under the contract, except that the public body may not withhold money from other than the final payment without determination by the public body that there is good cause to believe that the contractor has violated this chapter.

Worker Classification Definition Sheet

Asbestos Worker: Worker who removes and disposes of asbestos materials.

Carpenter: Worker who builds wood structures, or structures of any material which has replace wood. Includes rough and finish carpentry, hardware and trim.

Carpet Layer/Floor Installer: Worker who installs carpet and/or floor coverings - vinyl tile.

Concrete Finisher: Worker who floats, trowels, and finishes concrete.

Data Communication-Telecom Installer: Worker who installs data/telephone and television cable and associated equipment and accessories.

Drywall Installer/Ceiling Installer: Worker who installs metal framed walls and ceilings, drywall coverings, ceiling grids and ceilings.

Electrician: Skilled craftsman who installs or repairs electrical wiring and devices. Includes fire alarm systems, and HVAC electrical controls.

Elevator Mechanic: Craftsman skilled in the installation and maintenance of elevators.

Fire Proofing Installer : Worker who sprays or applies fire proofing materials.

Glazier: Worker who installs glass, glazing and glass framing.

Heavy Equipment Operator: Includes but not limited to all cat tractors, all derrick-powered, all power operated cranes, back hoe, back filler, power operated shovel, winch truck, all trenching machines.

Insulator: Worker who applies, sprays, or install insulation.

Iron Worker: Skilled craftsman who erects structural steel framing and installs structural concrete rebar.

Laborer/Helper: Worker qualified for only unskilled or semi-skilled work. Lifting, carrying materials and tools, hauling, digging, clean-up.

Lather/Plasterer: Worker who installs metal framing and lath. Worker who applies plaster to lathing and installs associated accessories.

Light Equipment Operator: Includes but not limited to air compressors, truck crane driver, flex plane, building elevator, form grader, concrete mixer (less than 14 cf), conveyer.

Mason: Craftsman who works with masonry products, stone, brick, block, or any material substituting for those materials and accessories.

Metal Building Assembler: Worker who assembles pre-made metal buildings.

Millwright: Mechanic specializing in the installation of heavy machinery, conveyance, wrenches, dock levelers, hydraulic lifts and align pumps.

Painter/Wall Covering Installer : Worker who prepares wall surfaces and applies paint and/or wall

coverings, tape and bedding.

Pipefitter: Trained worker who installs piping systems, chilled water piping and hot water (boiler) piping, pneumatic tubing controls, chillers, boilers, and associated mechanical equipment.

Plumber: Skilled craftsman who installs domestic hot and cold water piping, waste piping, storm system piping, water closets, sinks, urinals and related work.

Roofer: Worker who installs roofing materials, Bitumen (asphalt and cold tar), felts, flashings, all types roofing membranes and associated products.

Sheet Metal Worker: Worker who installs sheet metal products. Roof metal, flashings, and curbs, ductwork, mechanical equipment, and associated metals.

Sprinkler Fitter: Worker who installs fore sprinkler systems and fire protection equipment.

Terrazzo Worker: Craftsman who places and finishes Terrazzo.

Tile Setter: Worker who prepares wall and/or floor surfaces and applies ceramic tiles to these surfaces.

Waterproofer/Caulker: Worker who applies water proofing material to buildings. Products include sealant, caulk, sheet membrane, liquid membranes, sprayed, rolled, or brushed on.

CURRENT PREVAILING WAGE RATES

The current prevailing wage rates can be found at the following link: https://alpha.sam.gov

SECTION 9 EQUAL OPPORTUNITY EMPLOYMENT PROVISIONS

SECTION EEO

EQUAL EMPLOYMENT OPPORTUNITY

INDEX

PARAGRAPH	TITLE
EEO.1	DESCRIPTION
EEO.2	WORKING ENVIRONMENT
EEO.3	ON-THE-JOB TRAINING
EEO.4	REVIEW
EEO.5	DISSEMINATION
EEO.6	RECRUITMENT
EEO.7	INVENTORY
EEO.8	MONITORING
EEO.9	FACILITIES
EEO.10	RECORDS
EEO.11	ADHERENCE

SECTION EEO

EQUAL EMPLOYMENT OPPORTUNITY

EEO.1 DESCRIPTION

The Contractor shall take specific affirmative actions to ensure equal employment opportunity. The Contractor shall implement affirmative action steps at least as extensive as described herein.

EEO.2 WORKING ENVIRONMENT

Ensure and maintain a working environment free of harassment, intimidation, and coercion at all sites, and in all facilities at which the Contractor's employees are assigned to work. The Contractor, where possible, will assign two (2) or more women to each construction project. The Contractor shall specifically ensure that all foremen, superintendents, and other on-site supervisory personnel are aware of and carry out the Contractor's obligation to maintain such a working environment, with specific attention to minority or female individuals working at such sites or in such facilities.

EEO.3 ON-THE-JOB TRAINING

Develop on-the-job training opportunities and/or participate in training programs for the area which expressly include minorities and women, including upgrading programs and apprenticeship and trainee programs relevant to the Contractor's employment needs.

EEO.4 REVIEW

Review, at least annually, the company's EEO policy and affirmative action obligations under these specifications with all employees having any responsibility for hiring, assignment, layoff, termination, or other employment decisions including specific review of these items with on-site supervisory personnel such as Superintendents, General Foremen, etc., prior to the initiation of construction work at any job site. A written record shall be made and maintained identifying the time and place of these meetings, persons attending, subject matter discussed, and disposition of the subject matter.

EEO.5 DISSEMINATION

Disseminate the Contractor's EEO policy externally by including it in any advertising in the news media, and providing written notification to and discussing the Contractor's EEO policy with other Contractors and Subcontractors with whom the Contractor does or anticipates doing business.

EEO.6 RECRUITMENT

Direct its recruitment efforts, both oral and written, to minority, female and community organizations, to schools with minority and female students and to minority and female recruitment and training organizations serving the Contractor's recruitment area and employment needs. Not later than one (1) month prior to the date for the acceptance of applications for apprenticeship or other training by any recruitment source, the Contractor shall send written notification to organizations such as the above, describing the openings, screening procedures, and tests to be used in the selection process.

EEO.7 INVENTORY

Conduct, at least annually, an inventory and evaluation at least of all minority and female personnel for promotional opportunities and encourage these employees to seek or to prepare for, through appropriate training, etc., such opportunities.

EEO.8 MONITORING

Ensure that seniority practices, job classifications, work assignments, and other personnel practices, do not have a discriminatory effect by continually monitoring all personnel and employment related activities to ensure that the EEO policy and the Contractor's obligations under these specifications are being carried out.

EEO.9 FACILITIES

Ensure that all facilities and company activities are non-segregated except that separate or single-user toilet and necessary changing facilities shall be provided to assure privacy between the sexes.

EEO.10 RECORDS

Document and maintain a record of all solicitations of offers for subcontracts from minority and female construction contractors and suppliers, including circulation of solicitations to minority and female contractor associations and other business associations.

EEO.11 ADHERENCE

Conduct a review, at least annually, of all supervisors' adherence to and performance under the Contractor's EEO policies and affirmative action obligations.

SECTION 10 CONSTRUCTION CONTRACT

CITY OF ROWLETT, TEXAS

CONSTRUCTION CONTRACT

FOR

BID NO. 2026-43-B

COUNTRY AIRE ESTATES PHASE 2 RECONSTRUCTION

TABLE OF CONTENTS

ARTICLE I; THE CONTRACT AND THE CONTRACT DOCUMENTS		1
1.1	The Contract	1
1.2.	The Contract Documents	1
1.3	Entire Agreement	1
1.4	No Privity with Others	1
1.5	Intent and Interpretation	1
1.6	Ownership of Contract Documents	2
ARTICLE II; THE WORK		2
2.1	The Work	2
2.2	Work	2
ARTICLE III; CONTRACT TIME		3
3.1	Time ad Liquidated Damages	3
3.2	Substantial Completion	3
3.3	Time is of the Essence	3
ARTICLE IV; CONTRACT PRICE		4
4.1	The Contract Price	4
ARTICLE V; PAYMENT OF THE CONTRACT PRICE		4
5.1	Schedule of Values	4
5.2	Payment Procedure	4
5.3	Withheld Payment	5
5.4	Unexcused Failure to Pay	6
5.5	Substantial Completion	6
5.6	Completion and Final Payment	6
ARTICLE VI; THE CITY		7
6.1	Information, Services and Things Required from City	7
6.2	Right to Stop Work	7
6.3	City's Right to Perform Work	7
ARTICLE VII; THE CONTRACTOR		7
7.1	The Contractor	7
7.2	Must Follow Contract	7
7.3	Prosecution of Work	8
7.4	Warranty	8
7.5	Permits; Fees; Licenses	8
7.6	Supervision	8
7.7	Work Schedule	8
7.8	On-Site Drawings	8
7.9	Shop Drawings, Product Data, and Samples	9
7.10	Cleaning the Site and the Project	9
7.11	Access to Work and Inspections	9
7.12	Indemnity and Disclaimer	9
7.13	Nondiscrimination	10
7.14	Prevailing Wage Rates	10
7.15	Job Site Safety Precautions	10
7.16	Warning Devices and Barricades	10
7.17	Protection of Utilities and Other Contractors	10

ARTICLE VIII; CONTRACT ADMINISTRATION 11
8.1 The Engineer 11
8.2 Engineer's Administration 11
8.3 Claims by the Contractor 11
8.4 Field Orders 13
8.5 Mediation 13

ARTICLE IX; SUBCONTRACTORS 13
9.1 Definition 13
9.2 Award of Subcontracts 13

ARTICLE X; CHANGES IN THE WORK 13
10.1 Changes Permitted 13
10.2 Change Order Defined 13
10.3 Changes in the Contract Price 14
10.4 Minor Changes 14
10.5 Effect of Executed Change Order 14
10.6 Notice to Surety; Consent 14

ARTICLE XI; UNCOVERING AND CORRECTING WORK 14
11.1 Uncovering Work 14
11.2 Correcting Work 15
11.3 City May Accept Defective or Nonconforming Work 15

ARTICLE XII; CONTRACT TERMINATION 15
12.1 Termination by the Contractor 15
12.2 Termination by the City 15

ARTICLE XIII; INSURANCE 17
13.1 Contractor Shall Maintain Insurance 17
13.2 Types and Amounts of Contractor’s Insurance 17
13.3 Additional Insured 17
13.4 Written Notification 17
13.5 Premiums and Assessments 17
13.6 Certificate of Insurance 17
13.7 Primary Coverage 18
13.8 Subrogation 18
13.9 Worker’s Compensation Insurance Coverage 18

ARTICLE XIV; MISCELLANEOUS 19
14.1 Laws and Ordinances 19
14.2 Governing Law 19
14.3 Successors and Assigns 19
14.4 Surety Bonds 19
14.5 Severability 20
14.6 Amendments 20
14.7 Force Majeure 20
14.8 Notices 20
14.9 Immunities; Defenses 20
14.10 No Rights In Third Parties 20
14.11 Prohibition of Boycott Israel 20

City of Rowlett, Texas

This Contract is made by and between the **City of Rowlett, Texas**, a home-rule municipality (hereinafter referred to as the "City") and **DDM Construction Corporation**, a Texas Corporation, (hereinafter referred to as the "Contractor") for construction of **COUNTRY AIRE ESTATES PHASE 2 RECONSTRUCTION**, (hereinafter referred to as the "Project"). The City and the Contractor hereby agreeing as follows:

ARTICLE I

THE CONTRACT AND THE CONTRACT DOCUMENTS

1.1 THE CONTRACT

1.1.1 The Contract between the City and the Contractor, of which this Contract is a part, consists of the Contract Documents. It shall be effective on the date this Agreement is executed by the last party to execute it.

1.2. THE CONTRACT DOCUMENTS

1.2.1 The Contract Documents consist of this Contract, the Invitation to Bid/ Request for Proposal, the Specifications, Plans and Drawings, all Change Orders and Field Orders issued hereafter, any other amendments hereto executed by the parties hereafter, together with the following (if any):

_____

In the event of a conflict in terms among any of the Contract Documents, the provisions of this Contract will prevail. In order of priority in resolving conflicts outside of this Contract, the City's Invitation to Bid/ Request for Proposal, the Contractor's Bid or Best and Final Offer and the Specifications and Drawings shall, in that order, prevail. Irreconcilable conflicts that cannot be resolved by field order shall be resolved by written Change Orders. Documents not enumerated in this Paragraph 1.2.1 are not Contract Documents and do not form part of this Contract.

1.3 ENTIRE AGREEMENT

1.3.1 This Contract, together with the Contractor's performance and payment bonds for the Project, all General Conditions, Special Conditions, Plans and Specifications, and Addenda attached thereto, constitute the entire and exclusive agreement between the City and the Contractor regarding the Project. Specifically, but without limitation, this Contract supersedes any bid documents and all prior written or oral communications, representations and negotiations, if any, between the City and Contractor not expressly made a part hereof.

1.4 NO PRIVITY WITH OTHERS

1.4.1 Nothing contained in this Contract shall create, or be interpreted to create privity or any other contractual agreement between the City and any person or entity other than the Contractor.

1.5 INTENT AND INTERPRETATION

1.5.1 The intent of this Contract is to require complete, correct and timely execution of the Work. Any Work that may be required, implied or inferred by the Contract Documents, or any one or more of them, as necessary to produce the intended result shall be provided by the Contractor for the Contract Price.

1.5.2 This Contract is intended to be an integral whole and shall be interpreted as internally consistent. What is required by any one Contract Document shall be considered as required by the Contract.

1.5.3 When a word, term or phrase is used in this Contract, it shall be interpreted or construed, first, as defined herein; second, if not defined, per its generally accepted meaning in the construction industry; and third, if there is no generally accepted meaning in the construction industry, per its common and customary usage.

1.5.4 The words "include", "includes", or "including", as used in this Contract, shall be deemed to be followed by the phrase, "without limitation".

1.5.5 The specification herein of any act, failure, refusal, omission, event, occurrence or condition as constituting a material breach of this Contract shall not imply that any other, non-specified act, failure, refusal, omission, event, occurrence or condition shall be deemed not to constitute a material breach of this Contract.

1.5.6 Words or terms used as nouns in this Contract shall be inclusive of their singular and plural forms, unless the context of their usage clearly requires a contrary meaning.

1.5.7 The Contractor shall have a continuing duty to read, carefully study and compare each of the Contract Documents, the Shop Drawings, the Product Data, and any Plans and Specifications, and shall give written notice to the City of any inconsistency, ambiguity, error or omission which the Contractor may discover with respect to these documents before proceeding with the affected Work. The issuance, or the express or implied approval by the City or the Engineer of the Contract Documents, Shop Drawings or Product Data shall not relieve the Contractor of the continuing duties imposed hereby, nor shall any such approval be evidence of the Contractor's compliance with this Contract. The City has requested the Engineer to only prepare documents for the Project, including the Drawings and Specifications for the Project, which are accurate, adequate, consistent, coordinated and sufficient for construction. HOWEVER, THE CITY MAKES NO REPRESENTATION OR WARRANTY OF ANY NATURE WHATSOEVER TO THE CONTRACTOR CONCERNING SUCH DOCUMENTS. By the execution hereof, the Contractor acknowledges and represents that it has received, reviewed and carefully examined such documents, has found them to be complete, accurate, adequate, consistent, coordinated and sufficient for construction, and that the Contractor has not, does not, and will not rely upon any representation or warranties by the City concerning such documents as no such representation or warranties have been or are hereby made. Further, the Contractor represents and warrants that it has had a sufficient opportunity to inspect the Project site and assumes all responsibility for inadequacies or ambiguities in the plans, drawings or specifications as well as for latent conditions of the site where the work is to be performed, subject to the terms and conditions of Subparagraph 8.3.3.

1.5.8 As between numbers and scaled measurements on the Drawings and in the Design, the numbers shall govern, as between larger scale and smaller scale drawings, the larger scale shall govern.

1.5.9 Neither the organization of any of the Contract Documents into divisions, sections, paragraphs, articles, (or other categories), nor the organization or arrangement of the Design, shall control the Contractor in dividing the Work or in establishing the extent or scope of the Work to be performed by Subcontractors.

1.6 OWNERSHIP OF CONTRACT DOCUMENTS

1.6.1 The Contract Documents, and each of them, shall remain the property of the City. The Contractor shall have the right to keep one record set of the Contract Documents upon completion of the Project; provided, however, that in no event shall Contractor use, or permit to be used, any or all such Contract Documents on other projects without the City's prior written authorization.

ARTICLE II

THE WORK

2.1 THE WORK

2.1.1 The Contractor shall perform all the Work required, implied or reasonably inferable from, this Contract.

2.2 WORK

2.2.1 The term "Work" shall mean whatever is done by or required of the Contractor to perform and complete its duties under this Contract, including the following: construction of the whole or a designated part of the Project; furnishing of any required surety bonds and insurance, and the provision or furnishing of labor, supervision, services, materials, supplies, equipment, fixtures, appliances, facilities, tools, transportation, storage, power, permits and licenses required of the Contractor, fuel, heat, light, cooling and all other utilities as required by this Contract. The Work to be performed by the Contractor is generally described as:

The work consists of the reconstruction of Salzburg Dr (from Acapulco Dr to alley east of Swiss Way) and Swiss Way (from Acapulco Dr to Salzburg Dr). The reconstruction includes 7,800 SY of concrete pavement, 500 LF of drainage, 2,500 LF of water, 2,300LF of wastewater, and 2,300LF of illumination conduit.

A detailed scope of work to be performed, including bid specifications, scope of work, and Contractor’s bid response, is attached hereto and incorporated herein by this reference as Exhibit A.

2.2.2 The Contractor shall be responsible for paying for and procuring all materials and labor and furnishing all services necessary or appropriate for the full performance of the Work and the for the full completion of the Project. All materials shall be new and materials and workmanship shall be of good quality. Upon request, the Contractor shall furnish

satisfactory proof of the type, kind, and quality of materials.

ARTICLE III

CONTRACT TIME

3.1 TIME AND LIQUIDATED DAMAGES

3.1.1 The Contractor shall commence the Work within **10** days of receipt of a written Notice to Proceed and shall achieve Substantial Completion of the Work no later than **270** calendar days from the date specified in the Notice to Proceed. The parties acknowledge that time is of the essence in the performance of the terms of this Contract. The term "calendar days" shall mean all days of the week or month, no days being excepted. It is contemplated by the parties that the progress of the Work may be delayed by certain conditions beyond the control of the parties; these delays have been contemplated by the parties and considered in the time allotted for performance specified herein and includes, but is not limited to delays occasioned on account of adverse weather, temporary unavailability of materials, shipment delays, and the presence and potential interference of other contractors who may be performing work at the Project site unrelated to this Contract.

The number of calendar days from the date on which the Work is permitted to proceed, through the date set forth for Substantial Completion, shall constitute the "Contract Time".

3.1.2 The Contractor shall pay the City the sum of **$1,000** per day for each and every calendar day of unexcused delay in achieving Substantial Completion beyond the date set forth herein for Substantial Completion of the Work. Any sums due and payable hereunder by the Contractor shall be payable, not as a penalty, but as liquidated damages representing an estimate of delay damages likely to be sustained by the City, estimated at or before the time of executing this Contract, and represent City's sole remedy for delay damages in the event of unexcused delay. When the City reasonably believes that Substantial Completion will be inexcusably delayed, the City shall be entitled, but not required, to withhold from any amounts otherwise due the Contractor an amount then believed by the City to be adequate to recover liquidated damages applicable to such delays. If and when the Contractor overcomes the delay in achieving Substantial Completion, or any part thereof, for which the City has withheld payment, the City shall promptly release to the Contractor those funds withheld, but no longer applicable, as liquidated damages.

3.1.3 No claim shall be made by the Contractor to the City, and no damages, costs or extra compensation shall be allowed or paid by the City to the Contractor for any delay or hindrance from any cause in the progress or completion of the Work or this Contract. The Contractor's sole remedy in the event of any delay or hindrance shall be to request time extensions by written change orders as provided for hereinafter. Should the Contractor be delayed by an act of the City, or should the City order a stoppage of the Work for sufficient cause, an extension of time and extended General Conditions shall be granted by the City by written authorization upon written application, which time extension and extended General Conditions shall not be unreasonably denied, to compensate for the delay.

3.1.4 The City shall have the authority to suspend the Work wholly or in part for such period or periods of time as it may deem appropriate due to unsuitable conditions considered unfavorable for the proper prosecution of the work.

3.1.5 Work or for the failure of the Contractor to carry out instructions from the City or City's representative. During any period in which the Work is stopped or during which any of the Work is not actively in progress for any reason, Contractor shall properly protect the site and the Work from damage, loss or harm.

3.2 SUBSTANTIAL COMPLETION

3.2.1 "Substantial Completion" shall mean that stage in the progression of the Work when the Work is sufficiently complete in accordance with this Contract that the City can enjoy beneficial use or occupancy of the Work and can utilize the Work for its intended purpose, even though minor miscellaneous work and/or adjustment may be required.

3.3 TIME IS OF THE ESSENCE

3.3.1 TIME IS OF THE ESSENCE IN THE PERFORMANCE OF THE WORK AND THE COMPLETION OF THE PROJECT ON OR BEFORE THE SCHEDULED COMPLETION DATE. THE SCHEDULED COMPLETION DATE IS A DEADLINE. THE CITY EMPLOYS A ZERO-TOLERANCE POLICY REGARDING THE TIME FOR COMPLETION. The time for completion is an essential and material term of this Contract and the Contractor's failure to achieve substantial completion on the date stated herein, to comply with work schedules, or achieve milestones in approved construction schedules, shall be a material breach and default of this Contract.

3.3.2 The City shall have the authority to suspend

the Work wholly or in part for such period or periods of time as it may deem appropriate due to unsuitable
conditions considered unfavorable for the proper prosecution of the Work or for the failure of the Contractor to carry out instructions from the City or City's representative. During any period in which the Work is stopped or during which any of the Work is not actively in progress for any reason, Contractor shall properly protect the site and the Work from damage, loss or harm. The Contractor shall not be compensated for periods of delay caused by a suspension of the work by the City. If work is suspended due to unsuitable conditions through no fault of the Contractor, an extension of time shall be granted by the City by Change Order upon written application, which extension shall not be unreasonably denied, to compensate for the delay.

3.3.3 The Contractor shall not have or assert any claim against the City for damages or back-charges of any kind for any reason, including but not limited to claims for Extra Work, damages, economic loss, additional costs, unknown latent site conditions, and refusals by the City to grant extensions of time, unless supported and authorized by a written Change Order or separate agreement signed by all parties. The Contractor, in entering into this Contract, hereby waives, releases, quitclaims, discharges and holds harmless the City from and against any and all claims, damages, liabilities and losses, save and except those arising under Paragraph 12.1 of this Contract.

ARTICLE IV

CONTRACT PRICE

4.1 THE CONTRACT PRICE

4.1.1 The City shall pay, and the Contractor shall accept, as full and complete payment for all the Work required herein, an amount in current funds equal to the sum of the established unit price for each separately identified item of unit price work times the quantity of that item set forth in the paragraph 4.1.1. Estimated quantities are not guaranteed and determinations of actual quantities and classifications are to be made by the Contractor and the City. The Contract Price is to be paid based upon actual quantities. If actual quantities exceed estimate, Owner may supplement Contract Price with additional moneys to complete original scope of Work. Work will entitle Contractor to change order for that work. City reserves the right to remove Work from Contractor's scope in the event the cost of the Work will exceed the Contract Price.

SEE SECTION 6 BID FORM
BASE BID + ADD ALT 2

ARTICLE V

PAYMENT OF THE CONTRACT PRICE

5.1 SCHEDULE OF VALUES

5.1.1 Within ten (10) calendar days of the effective date hereof, the Contractor shall submit to the City and to the Engineer a Schedule of Values allocating the Contract Price to the various portions of the Work. The Contractor's Schedule of Values shall be prepared in such form, with such detail, and supported by such data as the Engineer or the City may require to substantiate its accuracy. The Contractor shall not imbalance its Schedule of Values nor artificially inflate any element thereof. The violation of this provision by the Contractor shall constitute a material breach of this Contract. The Schedule of Values shall be used only as a basis for the Contractor's Applications for Payment and shall only constitute such basis after it has been acknowledged and accepted in writing by the Engineer and the City.

5.2 PAYMENT PROCEDURE

5.2.1 The City shall pay the Contract Price to the Contractor as provided below.

5.2.2 ***PROGRESS PAYMENTS*** **-** Based upon the Contractor's Applications for Payment submitted to the Engineer and upon Certificates for Payment subsequently issued to the City by the Engineer, the City shall make progress payments to the Contractor on account of the Contract Price.

5.2.3 APPLICATION FOR PAYMENT - On or before the 25th day of each month after commencement of the Work, the Contractor shall submit an Application for Payment for the period ending the 15th day of the month to the Engineer in such form and manner, and with such supporting data and content, as the City or the Engineer may require. The Contractor may request payment for that portion of the Contract Price properly allocable to Contract requirements properly provided and to labor, materials and equipment properly incorporated in the Work, less retainage and less the total amount of previous payments received from the City. Such Application for Payment shall be signed by the Contractor and shall constitute the Contractor's representation that the Work has progressed to the level for which payment is requested in accordance with the Schedule of Values, that the Work has been properly installed or performed in full compliance with this Contract, and that the Contractor knows of

no reason why payment should not be made as requested. Thereafter, the Engineer will review the Application for Payment and may also review the
Work at the Project site or elsewhere to determine whether the quantity and quality of the Work is as represented in the Application for Payment and is as required by this Contract. The Engineer shall determine and certify to the City the amount properly owing to the Contractor. The City shall make partial payments on account of the Contract Price to the Contractor within thirty (30) days following the Engineer's receipt and approval of each Application for Payment. The amount of each partial payment shall be the amount certified for payment by the Engineer less such amounts, if any, otherwise owing by the Contractor to the City or which the City shall have the right to withhold as authorized by this Contract. The Engineer's certification of the Contractor's Application for Payment shall not preclude the City from the exercise of any of its rights as set forth in Paragraph 5.3 hereinbelow.

5.2.4 STATEMENT OF DELAY - Each Application for Payment shall include a Statement of Delay showing the number of days lost due to inclement weather, conflicts with other City contractors, utilities, or design specifications, or other proper reasons. The failure to submit the Statement of Delay shall be a waiver of any claim for additional days or extensions of the scheduled completion date.

5.2.5 RETAINAGE – If the Contract Price set forth in Subparagraph 4.1.1 is between $50,000 and $1,000,000, the City shall withhold retainage of ten (10) percent; if between 1,000,001 and $2,000,000, the City shall withhold retainage of seven and one-half (7½) percent; if over $2,000,000, the City shall withhold retainage of five (5) percent. If a different percentage is set forth in the Invitation to Bid/Request for Proposal, then that percentage shall apply. Retainage shall be withheld from each progress payment to secure performance of the Contract. The City shall deposit in an interest-bearing account that portion of any retainage withheld that exceeds five (5) percent of the progress payment. Interest earned on retainages in excess of five (5) percent of progress payments shall be paid to the Contractor with the final payment.

5.2.6 Statement of Delay - Each Application for Payment shall include a Statement of Delay showing the number of days lost due to inclement weather, conflicts with other City contractors, utilities, or design specifications, or other proper reasons. The failure to submit the Statement of Delay shall be a waiver of any claim for additional days or extensions of the scheduled completion date.

5.2.7 The Contractor warrants that title to all Work covered by an Application for Payment will pass to the City no later than the time of payment. The Contractor further warrants that upon submittal of an Application for Payment, all Work for which payments have been received from the City shall be free and clear of liens, claims, security interest or other encumbrances in favor of the Contractor or any other person or entity whatsoever.

5.2.8 The Contractor shall promptly pay each Subcontractor out of the amount paid to the Contractor on account of such Subcontractor's Work, the amount to which such Subcontractor is entitled. In the event the City becomes informed that the Contractor has not paid a Subcontractor as herein provided, the City shall provide written notice to the Contractor. If the Contractor fails to cure such payment issues within ten (10) days of receipt of City's notice, the City shall have the right, but not the duty, to issue future checks in payment to the Contractor of amounts otherwise due hereunder naming the Contractor and such Subcontractor as joint payees. Such joint check procedure, if employed by the City, shall create no rights in favor of any person or entity beyond the right of the named payees to payment of the check and shall not be deemed to commit the City to repeat the procedure in the future.

5.2.9 No progress payment, nor any use or occupancy of the Project by the City, shall be interpreted to constitute an acceptance of any Work not in strict accordance with this Contract.

5.3 WITHHELD PAYMENT

5.3.1 The City may decline to make payment, may withhold funds, and, if necessary, may demand the return of some or all of the amounts previously paid to the Contractor, to protect the City from loss because of:

(a) defective Work not remedied by the Contractor nor, in the opinion of the City, likely to be remedied by the Contractor;

(b) claims of third parties against the City or the City's property;

(c) failure by the Contractor to pay Subcontractors or others in a prompt and proper fashion, subject to Contractor's right to cure;

(d) evidence that the balance of the Work cannot be completed in accordance with the Contract for the unpaid balance of the

Contract Price;

(e) evidence that the Work will not be completed in the time required for substantial or final completion;

(f) persistent failure to carry out the Work in accordance with the Contract;

(g) damage to the City or a third party to whom the City is, or may be, liable.

In the event that the City makes written demand upon the Contractor for amounts previously paid by the City as contemplated in this Subparagraph 5.3.1, the Contractor shall promptly comply with such demand. The City shall have no duty to third parties to withhold payment to the Contractor and shall incur no liability for a failure to withhold funds.

5.4 UNEXCUSED FAILURE TO PAY

5.4.1 If within fifteen (15) days after the date established herein for payment to the Contractor by the City, the City, without cause or basis hereunder, fails to pay the Contractor any amount then due and payable to the Contractor, then the Contractor may after ten (10) additional days' written notice to the City and the Engineer, and without prejudice to any other available rights or remedies it may have, stop the Work until payment of those amounts due from the City have been received. Late payments shall not accrue interest or other late charges.

5.5 SUBSTANTIAL COMPLETION

5.5.1 When the Contractor believes that the Work is substantially complete, the Contractor shall submit to the Engineer a list of items to be completed or corrected. When the Engineer on the basis of an inspection determines that the Work is in fact substantially complete, it will prepare a Certificate of Substantial Completion which shall establish the date of Substantial Completion, shall state the responsibilities of the City and the Contractor for Project security, maintenance, heat, utilities, damage to the Work, and insurance, and shall fix the time within which the Contractor shall complete the items listed therein. Guarantees required by the Contract shall commence on the date of Substantial Completion of the Work. The Certificate of Substantial Completion shall be submitted to the City and the Contractor for their written acceptance of the responsibilities assigned to them in such certificate.

Upon Substantial Completion of the Work, and execution by both the City and the Contractor of the Certificate of Substantial Completion, the City shall pay the Contractor an amount sufficient to increase total payments to the Contractor to one hundred percent (100%) of the Contract Price less three hundred percent (300%) of the reasonable cost as determined by the City and the Engineer for completing all incomplete Work, correcting and bringing into conformance all defective and nonconforming Work, and handling all unsettled claims.

5.6 COMPLETION AND FINAL PAYMENT

5.6.1 When all of the Work is finally complete and the Contractor is ready for a final inspection, it shall notify the City and the Engineer thereof in writing. Thereupon, the Engineer will make final inspection of the Work and, if the Work is complete in full accordance with this Contract and this Contract has been fully performed, the Engineer will promptly issue a final Certificate for Payment certifying to the City that the Project is complete and the Contractor is entitled to the remainder of the unpaid Contract Price, less any amount withheld pursuant to this Contract. If the Engineer is unable to issue its final Certificate for Payment and is required to repeat its final inspection of the Work, the Contractor shall bear the cost of such repeat final inspection(s) which cost may be deducted by the City from the Contractor's final payment.

5.6.1.1 If the Contractor fails to achieve final completion within thirty (30) days of Substantial Completion, the Contractor shall pay the City the sum set forth hereinabove as liquidated damages per day for each and every calendar day of unexcused delay in achieving final completion beyond the date set forth herein for final completion of the Work. Any sums due and payable hereunder by the Contractor shall be payable, not as a penalty, but as liquidated damages representing an estimate of delay damages likely to be sustained by the City, estimated at or before the time of executing this Contract. When the City reasonably believes that final completion will be inexcusably delayed, the City shall be entitled, but not required, to withhold from any amounts otherwise due the Contractor an amount then believed by the City to be adequate to recover liquidated damages applicable to such delays. If and when the Contractor overcomes the delay in achieving final completion, or any part thereof, for which the City has withheld payment, the City shall promptly release to the Contractor those funds withheld, but no longer applicable, as liquidated damages.

5.6.2 The Contractor shall not be entitled to final payment unless and until it submits to the Engineer its affidavit that all payrolls, invoices for materials and equipment, and other liabilities connected with the Work for

which the City, or the City's property might be responsible, have been fully paid or otherwise satisfied; releases and waivers of lien from all Subcontractors of the Contractor and of any and all other parties required by the Engineer or the City; consent of Surety, if any, to final payment. If any third party fails or refuses to provide a release of claim or waiver of lien as required by the City, the Contractor shall furnish a bond satisfactory to the City to discharge any such lien or indemnify the City from liability.

5.6.3 The City shall make final payment of all sums due the Contractor within thirty (30) days of the Engineer's execution of a final Certificate for Payment.

5.6.4 Acceptance of final payment shall constitute a waiver of all claims against the City by the Contractor except for those claims previously made in writing against the City by the Contractor, pending at the time of final payment, and identified in writing by the Contractor as unsettled at the time of its request for final payment.

5.6.5 Under no circumstance shall Contractor be entitled to receive interest on any payments or monies due Contractor by the City, whether the amount on which the interest may accrue is timely, late, wrongfully withheld, or an assessment of damages of any kind.

ARTICLE VI

THE CITY

6.1 INFORMATION, SERVICES AND THINGS REQUIRED FROM CITY

6.1.1 The City shall furnish to the Contractor, at the time of executing this Contract, all written and tangible material in its possession concerning conditions below ground at the site of the Project.

Such written and tangible material is furnished to the Contractor only in order to make complete disclosure of such material and for no other purpose. By furnishing such material, the City does not represent, warrant, or guarantee its accuracy either in whole, in part, implicitly or explicitly, or at all, and shall have no liability therefor. The City shall also furnish surveys, legal limitations and utility locations (if known), and a legal description of the Project site.

6.1.2 Excluding permits and fees normally the responsibility of the Contractor, the City shall obtain all approvals, easements, and the like required for construction and shall pay for necessary assessments and charges required for construction, use or occupancy of permanent structures or for permanent changes in existing facilities.

6.1.3 The City shall furnish the Contractor, free of charge, one copy of the Contract Documents for execution of the Work.

6.2 RIGHT TO STOP WORK

6.2.1 If the Contractor persistently fails or refuses to perform the Work in accordance with this Contract, or if the best interests of the public health, safety or welfare so require, the City may order the Contractor to stop the Work, or any described portion thereof, until the cause for stoppage has been corrected, no longer exists, or the City orders that Work be resumed. In such event, the Contractor shall immediately obey such order.

6.3 CITY'S RIGHT TO PERFORM WORK

6.3.1 If the Contractor's Work is stopped by the City under Paragraph 6.2, and the Contractor fails within seven (7) days of such stoppage to provide adequate assurance to the City that the cause of such stoppage will be eliminated or corrected, then the City may, without prejudice to any other rights or remedies the City may have against the Contractor, proceed to carry out the subject Work. In such a situation, an appropriate Change Order shall be issued deducting from the Contract Price the cost of correcting the subject deficiencies, plus compensation for the Engineer's additional services and expenses necessitated thereby, if any. If the unpaid portion of the Contract Price is insufficient to cover the amount due the City, the Contractor shall pay the difference to the City.

ARTICLE VII

THE CONTRACTOR

7.1 The Contractor is again reminded of its continuing duty set forth in Subparagraph 1.5.7. The Contractor shall perform no part of the Work at any time without adequate Contract Documents or, as appropriate, approved Shop Drawings, Product Data or Samples for such portion of the Work. If the Contractor performs any of the Work knowing it involves a recognized error, inconsistency or omission in the Contract Documents without such notice to the Engineer, the Contractor shall bear responsibility for such performance and shall bear the cost of correction.

7.2 MUST FOLLOW CONTRACT

7.2.1 The Contractor shall perform the Work strictly in accordance with this Contract.

7.3 PROSECUTION OF WORK

7.3.1 The Contractor shall supervise and direct the Work using the Contractor's best skill, effort and attention. The Contractor shall be responsible to the City for any and all acts or omissions of the Contractor, its employees and others engaged in the Work on behalf of the Contractor.

7.3.2 The Contractor shall give adequate attention to the faithful prosecution of the Work and the timely completion of this Contract, with authority to determine the manner and means of performing such Work, so long as such methods insure timely completion and proper performance.

7.3.3 The Contractor shall exercise all appropriate means and measures to insure a safe and secure jobsite in order to avoid and prevent injury, damage or loss to persons or property.

7.3.4 The City will not interfere with the Contractor's manner and means of performing the Work. However, the City's insistence on strict compliance with the Contract shall not be regarded as an interference with the Contractor's manner and means. In the event that any part of the Work is not in strict compliance with the Contract, the Contractor is and shall be estopped from claiming any interference by the City or Engineer with the Contractor's manner and means of performing that part of the Work.

7.4 WARRANTY

7.4.1 The Contractor warrants to the City that all labor furnished to progress the Work under this Contract will be competent to perform the tasks undertaken, that the product of such labor will yield only first-class results, that materials and equipment furnished will be of good quality and new unless otherwise permitted by this Contract, and that the Work will be of good quality, free from faults and defects and in strict conformance with this Contract. All Work not conforming to these requirements may be considered defective. The Contractor warrants and guaranties that it shall complete the work and achieve substantial completion by the scheduled completion date, as may be extended by Contract, strictly in accordance with this contract. Defective work or materials shall be fixed, repaired or replaced free of charge or cost to the City.

7.5 PERMITS; FEES; LICENSES

7.5.1 The Contractor shall obtain and pay for all permits, fees and licenses necessary and ordinary for the Work. The Contractor shall comply with all lawful requirements applicable to the Work and shall give and maintain any and all notices required by applicable law pertaining to the Work.

7.6 SUPERVISION

7.6.1 The Contractor shall employ and maintain at the Project site only competent supervisory personnel. Absent written instruction from the Contractor to the contrary, the superintendent shall be deemed the Contractor's authorized representative at the site and shall be authorized to receive and accept any and all communications from the City or the Engineer.

7.6.2 Key supervisory personnel assigned by the Contractor to this Project are as follows:

NAME	FUNCTION
_____	_____
_____	_____
_____	_____

So long as the individuals named above remain actively employed or retained by the Contractor, they shall perform the functions indicated next to their names unless the City agrees to the contrary in writing. In the event one or more individuals not listed above subsequently assume one or more of those functions listed above, the Contractor shall be bound by the provisions of this Subparagraph 7.6.2 as though such individuals had been listed above.

7.7 WORK SCHEDULE

7.7.1 The Contractor, within fifteen (15) days of commencing the Work, shall submit to the City and the Engineer for their information, the Contractor's schedule for completing the Work. The Contractor's schedule shall be revised no less frequently than monthly (unless the parties otherwise agree in writing) and shall be revised to reflect conditions encountered from time to time and shall be related to the entire Project. Each such revision shall be furnished to the City and the Engineer. Failure by the Contractor to strictly comply with the provisions of this Section 7.7 shall constitute a material breach of this Contract.

7.8 ON-SITE DRAWINGS

7.8.1 The Contractor shall continuously maintain at the site, for the benefit of the City and the Engineer, one record copy of this Contract marked to record on a current basis changes, selections and modifications

made during construction. Additionally, the Contractor shall maintain at the site for the City and Engineer the approved Shop Drawings, Product Data, Samples and other similar required submittals. Upon final completion of the Work, all of these record documents shall be delivered to the City.

7.9 SHOP DRAWINGS, PRODUCT DATA AND SAMPLES

7.9.1 Shop Drawings, Product Data, Samples and other submittals from the Contractor do not constitute Contract Documents. Their purpose is merely to demonstrate the manner in which the Contractor intends to implement the Work in conformance with information received from the Contract Documents.

7.9.2 The Contractor shall not perform any portion of the Work requiring submittal and review of Shop Drawings, Product Data or Samples unless and until such submittal shall have been approved by the Engineer. Approval by the Engineer, however, shall not be evidence that Work installed pursuant thereto conforms with the requirements of this Contract.

7.10 CLEANING THE SITE AND THE PROJECT

7.10.1 The Contractor shall keep the site reasonably clean during performance of the Work. Upon final completion of the Work, the Contractor shall clean the site and the Project and remove all waste, rubbish, temporary structures, and other materials together with all of the Contractor's property therefrom. Contractor shall dispose of all refuse at a Texas Natural Resource Conservation Commission approved landfill. The Contractor shall further restore all property damaged during the prosecution of the Work and shall leave the site in a clean and presentable condition. No additional payment shall be made by the City for this work, the compensation having been considered and included in the contract price.

7.11 ACCESS TO WORK AND INSPECTIONS

7.11.1 The City and the Engineer shall have access to the Work at all times from commencement of the Work through final completion. The Contractor shall take whatever steps necessary to provide access when requested. When reasonably requested by the City or the Engineer, the Contractor shall perform or cause to be performed such testing as may be necessary or appropriate to insure suitability of the jobsite or the Work's compliance with the Contract requirements.

7.12 INDEMNITY AND DISCLAIMER

7.12.1 CITY SHALL NOT BE LIABLE OR RESPONSIBLE FOR, AND SHALL BE INDEMNIFIED, HELD HARMLESS AND RELEASED BY CONTRACTOR FROM AND AGAINST ANY AND ALL SUITS, ACTIONS, LOSSES, DAMAGES, CLAIMS, OR LIABILITY OF ANY CHARACTER, TYPE, OR DESCRIPTION, INCLUDING ALL EXPENSES OF LITIGATION, COURT COSTS, AND ATTORNEY'S FEES, FOR INJURY OR DEATH TO ANY PERSON, OR INJURY OR LOSS TO ANY PROPERTY, RECEIVED OR SUSTAINED BY ANY PERSON OR PERSONS, INCLUDING THE CONTRACTOR, OR PROPERTY, ARISING OUT OF, OR OCCASIONED BY, DIRECTLY OR INDIRECTLY, THE PERFORMANCE OF CONTRACTOR UNDER THIS CONTRACT, INCLUDING CLAIMS AND DAMAGES ARISING IN WHOLE OR IN PART FROM THE NEGLIGENCE OF CITY, WITHOUT, HOWEVER, WAIVING ANY GOVERNMENTAL IMMUNITY AVAILABLE TO THE CITY UNDER TEXAS LAW AND WITHOUT WAIVING ANY DEFENSES OF THE PARTIES UNDER TEXAS LAW. THE PROVISIONS OF THIS INDEMNIFICATION ARE SOLELY FOR THE BENEFIT OF THE PARTIES HERETO AND NOT INTENDED TO CREATE OR GRANT ANY RIGHTS, CONTRACTUAL OR OTHERWISE, TO ANY OTHER PERSON OR ENTITY. IT IS THE EXPRESSED INTENT OF THE PARTIES TO THIS CONTRACT THAT THE INDEMNITY PROVIDED FOR IN THIS CONTRACT IS AN INDEMNITY EXTENDED BY CONTRACTOR TO INDEMNIFY AND PROTECT CITY FROM THE CONSEQUENCES OF THE CONTRACTOR'S AND THE CITY'S NEGLIGENCE, WHETHER SUCH NEGLIGENCE IS THE SOLE OR PARTIAL CAUSE OF ANY SUCH INJURY, DEATH, OR DAMAGE.

7.12.2 The Contractor will secure and maintain Contractual Liability insurance to cover this

indemnification agreement that will be primary and non-contributory as to any insurance maintained by the City for its own benefit, including self-insurance. In addition, Contractor shall obtain and file with City a Certificate of Insurance and copies of policy endorsements evidencing the required coverage.

7.12.3 In claims against any person or entity indemnified under this Paragraph 7.12 by an employee of the Contractor, a Subcontractor, anyone directly or indirectly employed by them or anyone for whose acts they may be liable, the indemnification obligation under this Paragraph 7.12 shall not be limited by a limitation on amount or type of damages, compensation or benefits payable by or for the Contractor or a Subcontractor under workers' compensation acts, disability benefit acts or other employee benefit acts.

7.13 NONDISCRIMINATION

7.13.1 The Contractor shall not discriminate in any way against any person, employee or job applicant on the basis of race, color, creed, national origin, religion, age, sex, or disability where reasonable accommodations can be effected to enable the person to perform the essential functions of the job. The Contractor shall further ensure that the foregoing nondiscrimination requirement shall be made a part and requirement of each subcontract on this Project.

7.14 PREVAILING WAGE RATES

7.14.1 The Contractor shall comply in all respects with all requirements imposed by any laws, ordinances or resolutions applicable to the Project with regard to the minimum prevailing wage rates for all classes of employees, laborers, subcontractors, mechanics, workmen and persons furnishing labor and services to the Project. The City has adopted a Prevailing Wage Rate Schedule, available to the Contractor by request, which specifies the classes and wage rates to be paid to all persons. The Contractor shall pay not less than the minimum wage rates established thereby for each class, craft or type of labor, workman, or mechanic employed in the execution of this Contract. The failure of the Contractor to comply with this requirement shall result in the forfeiture to the City of a sum of not less than Sixty Dollars ($60.00) for each person per day, or portion thereof, that such person is paid less than the prevailing rate. Upon request by the City, Contractor shall make available for inspection and copying its books and records, including but not limited to its payroll records, account information and other documents as may be required by the City to ensure compliance with this provision.

7.15 JOB SITE SAFETY PRECAUTIONS

7.15.1 The Contractor shall at all times exercise reasonable precautions for the safety of its employees, laborers, subcontractors, mechanics, workmen and others on and near the jobsite and shall comply with all laws, ordinances, regulations, and standards of federal, state and local safety laws and regulations. The Contractor shall provide such machinery guards, safe walkways, ladders, bridges, and other safety devices as may be necessary or appropriate to ensure a safe and secure jobsite and shall require its subcontractors to comply with this requirement. The Contractor shall immediately comply with any and all safety requirements imposed by the Engineer during the progress of the Work.

7.16 WARNING DEVICES AND BARRICADES

7.16.1 The Contractor shall furnish and maintain such warning devices, barricades, lights, signs, pavement markings, and other devices as may be necessary or appropriate or required by federal, state and/or local guidelines to protect persons or property in, near or adjacent to the jobsite. No separate compensation shall be paid to the Contractor for such measures. Where the Work is being conducted in, upon or near streets, alleys, sidewalks, or other rights-of-way, the Contractor shall ensure the placement, maintenance and operation of any and all such warning devices as may be required by the City and shall do so until no longer required by the City. Such devices shall be in compliance with and conform to the manual and specifications for the uniform system of traffic control devices adopted by the Texas Department of Transportation.

7.17 PROTECTION OF UTILITIES AND OTHER CONTRACTORS

7.17.1 The Contractor shall use best efforts to leave undisturbed and uninterrupted all utilities and utility services provided to the jobsite, or which presently exists at, above or beneath the location where the Work is to be performed. In the event that any utility or utility service is disturbed or damaged during the progress of the Work, the Contractor shall forthwith repair, remedy or restore the utility at Contractor's sole expense.

7.17.2 The Contractor understands and acknowledges that other contractors of the City or of other entities may be present at the jobsite performing other work unrelated to the Project. The Contractor shall use best efforts to work around other contractors without impeding the work of others while still adhering to the completion date established herein. In the event that the Contractor's work is or may be delayed by any other person, the Contractor shall immediately give notice thereof to the City and the

Engineer and shall request a written Change Order in accordance with the procedures set forth by this Contract. The Contractor's failure to provide such notice and to request such Change Order shall constitute a waiver of any and all claims associated therewith.

ARTICLE VIII

CONTRACT ADMINISTRATION

8.1 THE ENGINEER

8.1.1 When used in this Contract the term "Engineer" does not necessarily denote a duly licensed, trained or certified engineer; as used herein, the term shall be used interchangeably and shall mean a designated Engineer, Architect, or Contract Administrator (who may not be an architect or engineer) for the City, said person to be designated or redesignated by the City prior to or at any time during the Work hereunder. The Engineer may be an employee of the City or may be retained by the City as an independent contractor but, in either event, the Engineer's duties and authority shall be as set forth hereinafter. The Contractor understands and agrees that it shall abide by the decisions and instructions of the Engineer notwithstanding the contractual relationship between the City and Engineer. All the City's instructions to the Contractor shall be through the Engineer.

In the event the City should find it necessary or convenient to replace the Engineer, the City shall retain a replacement Engineer, and the status of the replacement Engineer shall be that of the former Engineer.

8.2 ENGINEER'S ADMINISTRATION

8.2.1 The Engineer, unless otherwise directed by the City in writing, will perform those duties and discharge those responsibilities allocated to the Engineer as set forth in this Contract. The Engineer shall be the City's representative from the effective date of this Contract until final payment has been made.

8.2.2 The City and the Contractor shall communicate with each other directly through designated representatives and/or project managers, and shall, where appropriate, provide copies of communications to the Engineer.

8.2.3 The Engineer shall be the initial interpreter of the requirements of the drawings and specifications and the judge of the performance thereunder by the Contractor. The Engineer shall render written or graphic interpretations necessary for the proper execution or progress of the Work with reasonable promptness on request of the Contractor.

8.2.4 The Engineer will review the Contractor's Applications for Payment and will certify to the City for payment to the Contractor, those amounts then due the Contractor as provided in this Contract.

8.2.5 The Engineer shall have authority to reject Work which is defective or does not conform to the requirements of this Contract. If the Engineer deems it necessary or advisable, the Engineer shall have authority to require additional inspection or testing of the Work for compliance with Contract requirements.

8.2.6 The Engineer will review and approve, or take other appropriate action as necessary, concerning the Contractor's submittals including Shop Drawings, Product Data and Samples. Such review, approval or other action shall be for the sole purpose of determining conformance with the design concept and information given through the Contract Documents.

8.2.7 The Engineer will review Change Orders that shall be prepared by the Contractor and may authorize minor changes in the Work by Field Order as provided elsewhere herein.

8.2.8 The Engineer shall, upon written request from the Contractor, conduct inspections to determine the date of Substantial Completion and the date of final completion, will receive and forward to the City for the City's review and records, written warranties and related documents required by this Contract and will issue a final Certificate for Payment upon compliance with the requirements of this Contract.

8.2.9 The Engineer's decisions in matters relating to aesthetic effect shall be final if consistent with the intent of this Contract.

8.3 CLAIMS BY THE CONTRACTOR

8.3.1 The Engineer shall determine all claims and matters in dispute between the Contractor and City with regard to the execution, progress, or sufficiency of the Work or the interpretation of the Contract Documents, including but not limited to the plans and specifications. Any dispute shall be submitted in writing to the Engineer within seven (7) days of the event or occurrence or the first appearance of the condition giving rise to the claim or dispute who shall render a written decision within a reasonable time thereafter. The Engineer's decisions shall be final and binding on the parties. In the event that either party objects to the Engineer's determination as to any submitted dispute, that party shall submit a written objection to the Engineer and the opposing party within ten (10) days of receipt of the Engineer's

written determination in order to preserve the objection. Failure to so object shall constitute a waiver of the objection for all purposes.

8.3.2 Pending final resolution of any claim of the Contractor, the Contractor shall diligently proceed with performance of this Contract and the City shall continue to make payments to the Contractor in accordance with this Contract.

8.3.3 ***CLAIMS FOR CONCEALED, LATENT OR UNKNOWN CONDITIONS*** **-** The Contractor expressly represents that it has been provided with an adequate opportunity to inspect the Project site and thoroughly review the Contract Documents and plans and specifications prior to submission of its bid and the City's acceptance of the bid. Subject to the conditions hereof, Contractor assumes full responsibility and risk for any concealed, latent or unknown condition which may affect the Work. No claims for extra work or additional compensation shall be made by Contractor in connection with concealed, latent or unknown conditions except as expressly provided herein. Should concealed, latent or unknown conditions encountered in the performance of the Work (a) below the surface of the ground or (b) in an existing structure be at variance with the conditions indicated by this Contract, or should unknown conditions of an unusual nature differing materially from those ordinarily encountered in the area and generally recognized as inherent in Work of the character provided for in this Contract, be encountered, the Contract Price shall be equitably adjusted by Change Order upon the written notice and claim by either party made within seven (7) days after the first observance of the condition. As a condition precedent to the City having any liability to the Contractor for concealed or unknown conditions, the Contractor must give the City and the Engineer written notice of, and an opportunity to observe, the condition prior to disturbing it. The failure by the Contractor to make the written notice and claim as provided in this Subparagraph shall constitute a waiver by the Contractor of any claim arising out of or relating to such concealed, latent or unknown condition and the Contractor thereby assumes all risks and additional costs associated therewith.

8.3.4 ***CLAIMS FOR ADDITIONAL COSTS*** **-** If the Contractor wishes to make a claim for an increase in the Contract Price, as a condition precedent to any liability of the City therefor, the Contractor shall give the Engineer written notice of such claim within seven (7) days after the occurrence of the event, or the first appearance of the condition, giving rise to such claim. Such notice shall be given by the Contractor before proceeding to execute any additional or changed Work. The failure by the Contractor to give such notice and to give such notice prior to executing the Work shall constitute a waiver of any claim for additional compensation.

8.3.4.1 In connection with any claim by the Contractor against the City for compensation in excess of the Contract Price, any liability of the City for the Contractor's costs shall be strictly limited to direct costs incurred by the Contractor and shall in no event include indirect costs or consequential damages of the Contractor. The City shall not be liable to the Contractor for claims of third parties, including Subcontractors. The City shall not be liable to the Contractor for any claims based upon delay to the Contractor for any reason whatsoever including any act or neglect on the part of the City.

8.3.5 ***CLAIMS FOR ADDITIONAL TIME*** **-** If the Contractor is delayed in progressing any task which at the time of the delay is then critical or which during the delay becomes critical, as the sole result of any act or neglect to act by the City or someone acting in the City's behalf, or by changes ordered in the Work, unusual delay in transportation, supply chain disruptions, unusually adverse weather conditions not reasonably anticipated, fire, pandemic or any causes beyond the Contractor's control, then the date for achieving Substantial Completion of the Work shall be extended upon the written notice and claim of the Contractor to the City and the Engineer, for such reasonable time and extended General Conditions as the Engineer may determine. Any notice and claim for an extension of time by the Contractor shall be made not more than seven (7) days after the occurrence of the event or the first appearance of the condition giving rise to the claim and shall set forth in detail the Contractor's basis for requiring additional time in which to complete the Project. In the event the delay to the Contractor is a continuing one, only one notice and claim for additional time shall be necessary. If the Contractor fails to make such claim as required in this Subparagraph, any claim for an extension of time shall be waived.

8.3.6 ***CLAIMS FOR EXTRA WORK*** **-** The Contractor shall not claim, request or demand any sum from the City for Extra Work or for additional costs, and hereby waives all such claims, requests and demands and any right to assert same, unless the conditions of this subparagraph are strictly complied with. "Extra Work" is defined herein to mean any labor, service, materials, equipment, supplies or charges that are directly or indirectly related to the Work, the Project or the Project site, that is not necessarily or fairly required or implied by the Contract Documents.

8.3.7 The parties acknowledge and agree that there shall be no payment made by the City to the Contractor without a written agreement (either a separate contract

or a written Change Order) signed by the parties. Should the Contractor perform Extra Work or be requested to perform Extra Work by the Engineer or City, it shall be the Contractor's obligation and duty to first apply for and obtain a written Change Order, approved by the Engineer and executed by the City.

The Contractor's failure to obtain a written, signed Change Order prior to commencement of Extra Work shall constitute a complete and final waiver of any right for compensation for the Extra Work. If the parties are unable to agree to the terms of a Change Order for any Extra Work, the Contractor may reserve its rights to additional time and compensation by filing a claim under section 8.3.

8.4 FIELD ORDERS

8.4.1 The Engineer shall have authority to order minor changes in the Work not involving a change in the Contract Price or in Contract Time and not inconsistent with the intent of the Contract. Such changes shall be effected by Field Order and shall be binding upon the Contractor. The Contractor shall carry out such Field Orders promptly.

8.5 MEDIATION

8.5.1 In the event that a dispute arises under the terms of this Contract, following an adverse determination by the Engineer and proper preservation of the issue as required herein, the parties agree to submit to mediation. In such event, the parties shall agree to a designated person to serve as mediator and each party shall be responsible for payment of one-half of the total mediation fees. The parties shall submit the dispute to mediation as soon as practical and in no event later than one (1) year after the Engineer's written decision on the matter. At least one designated representative of each party must attend and participate in good faith in an effort to resolve the matters in dispute. Mediation shall not be the exclusive remedy available to the Parties.

8.5.2 In no event shall the foregoing provision justify or authorize any delay in the progress of the Work; the parties shall abide by the decision of the Engineer in accomplishing the timely completion of the Project.

ARTICLE IX

SUBCONTRACTORS

9.1 DEFINITION

9.1.1 A Subcontractor is an entity which has a direct contract with the Contractor to perform a portion of the Work. No Subcontractor shall be in privity with the City.

9.2 AWARD OF SUBCONTRACTS

9.2.1 Upon execution of the Contract, the Contractor shall furnish the City, in writing, the names of persons or entities proposed by the Contractor to act as a Subcontractor on the Project. The City shall promptly reply to the Contractor, in writing, stating any objections the City may have to such proposed Subcontractor. The Contractor shall not enter a subcontract with a proposed Subcontractor with reference to whom the City has made timely objection. The Contractor shall not be required to subcontract with any party to whom the Contractor has objection.

9.2.2 All subcontracts shall afford the Contractor rights against the Subcontractor which correspond to those rights afforded to the City against the Contractor herein, including those rights afforded to the City by Subparagraph 12.2.1 below. All subcontracts shall incorporate by reference the provisions hereof and shall provide that no claims, causes or demands shall be made by any Subcontractor against the City.

9.2.3 The Contractor shall indemnify, defend and hold harmless the City from and against any and all claims, demands, causes of action, damage, and liability asserted or made against the City by or on behalf of any Subcontractor or persons working through a Subcontractor.

ARTICLE X

CHANGES IN THE WORK

10.1 CHANGES PERMITTED

10.1.1 Changes in the Work within the general scope of this Contract, consisting of additions, deletions, revisions, or any combination thereof, may be ordered without invalidating this Contract, by Change Order or by Field Order.

10.1.2 Changes in the Work shall be performed under applicable provisions of this Contract and the Contractor shall proceed promptly with such changes.

10.2 CHANGE ORDER DEFINED

10.2.1 Change Order shall mean a written order to the Contractor executed by the City and the Engineer, issued after execution of this Contract, authorizing and directing a change in the Work or an adjustment in the Contract Price or the Contract Time, or any combination thereof. The Contract Price and the Contract Time may be changed only by written

Change Order.

10.3 CHANGES IN THE CONTRACT PRICE

10.3.1 Any change in the Contract Price resulting from a Change Order shall be determined as follows:

(a) by mutual agreement between the City and the Contractor as evidenced by (1) the change in the Contract Price being set forth in the Change Order, (2) such change in the Contract Price, together with any conditions or requirements related thereto, being initialed by both parties and (3) the Contractor's execution of the Change Order, or (b) if no mutual agreement occurs between the City and the Contractor, then, as provided in Subparagraph 10.3.2 below.

10.3.2 If no mutual agreement occurs between the City and the Contractor as contemplated in Subparagraph 10.3.1 above, the change in the Contract Price, if any, shall then be determined by the Engineer on the basis of the reasonable expenditures or savings of those performing, deleting or revising the Work attributable to the change, including, in the case of an increase or decrease in the Contract Price, a reasonable allowance for direct job site overhead and profit. In such case, the Contractor shall present, in such form and with such content as the City or the Engineer requires, an itemized accounting of such expenditures or savings, plus appropriate supporting data for inclusion in a Change Order. Reasonable expenditures or savings shall be limited to the following: reasonable costs of materials, supplies, or equipment including delivery costs, reasonable costs of labor, including social security, old age and unemployment insurance, fringe benefits required by agreement or custom, and workers' compensation insurance, reasonable rental costs of machinery and equipment exclusive of hand tools whether rented from the Contractor or others, reasonable costs of premiums for all bonds and insurance, permit fees, and sales, use or other taxes related to the Work, and reasonable cost of direct supervision and jobsite field office overhead directly attributable to the change. In no event, shall any expenditure or savings associated with the Contractor's home office or other non-jobsite overhead expense be included in any change in the Contract Price. Pending final determination of reasonable expenditures or savings to the City, payments on account shall be made to the Contractor on the Engineer's Certificate for Payment.

10.3.3 If unit prices are provided in the Contract, and if the quantities contemplated are so changed in a proposed Change Order that application of such unit prices to the quantities of Work proposed will cause substantial inequity to the City or to the Contractor, the applicable unit prices shall be equitably adjusted.

10.4 MINOR CHANGES

10.4.1 The Engineer shall have authority to order minor changes in the Work not involving a change in the Contract Price or an extension of the Contract Time and not inconsistent with the intent of this Contract. Such minor changes shall be made by written Field Order, and shall be binding upon the City and the Contractor. The Contractor shall promptly carry out such written Field Orders.

10.5 EFFECT OF EXECUTED CHANGE ORDER

10.5.1 The execution of a Change Order by the Contractor shall constitute conclusive evidence of the Contractor's agreement to the ordered changes in the Work, this Contract as thus amended, the Contract Price and the Contract Time. The Contractor, by executing the Change Order, waives and forever releases any claim against the City for additional time or compensation for matters relating to or arising out of or resulting from the Work included within or affected by the executed Change Order.

10.6 NOTICE TO SURETY; CONSENT

10.6.1 The Contractor shall notify and obtain the consent and approval of the Contractor's surety with reference to all Change Orders if such notice, consent or approval are required by the Contractor's surety or by law. The Contractor's execution of the Change Order shall constitute the Contractor's warranty to the City that the surety has been notified of and consents to, such Change Order and the surety shall be conclusively deemed to have been notified of such Change Order and to have expressly consented thereto.

ARTICLE XI

UNCOVERING AND CORRECTING WORK

11.1 UNCOVERING WORK

11.1.1 If any of the Work is covered contrary to the Engineer's request or to any provisions of this Contract, it shall, if required by the Engineer or the City, be uncovered for the Engineer's inspection and shall be properly replaced at the Contractor's expense without change in the Contract Time.

11.1.2 If any of the Work is covered in a manner not inconsistent with Subparagraph 11.1.1 above, it shall, if required by the Engineer or City, be uncovered for the Engineer's inspection. If such Work conforms strictly with this Contract, costs of uncovering and proper replacement shall by Change Order be charged to the City. If such Work does not strictly conform with this Contract, the Contractor shall pay the costs

of uncovering and proper replacement.

11.2 CORRECTING WORK

11.2.1 The Contractor shall immediately proceed to correct Work rejected by the Engineer as defective or failing to conform to this Contract. The Contractor shall pay all costs and expenses associated with correcting such rejected Work, including any additional testing and inspections, and reimbursement to the City for the Engineer's services and expenses made necessary thereby.

11.2.2 If within one (1) year after Substantial Completion of the Work any of the Work is found to be defective or not in accordance with this Contract, the Contractor shall correct it promptly upon receipt of written notice from the City. This obligation shall survive final payment by the City and termination of this Contract. With respect to Work first performed and completed after Substantial Completion, this one-year obligation to specifically correct defective and nonconforming Work shall be extended by the period of time which elapses between Substantial Completion and completion of the subject Work.

11.2.3 Nothing contained in this Paragraph 11.2 shall establish any period of limitation with respect to other obligations which the Contractor has under this Contract or any obligations pursuant to the maintenance bond. Establishment of the one-year time period in Subparagraph 11.2.2 relates only to the duty of the Contractor to specifically correct the Work.

11.3 CITY MAY ACCEPT DEFECTIVE OR NONCONFORMING WORK

11.3.1 If the City chooses to accept defective or nonconforming Work, the City may do so. In such event, the Contract Price shall be reduced by the greater of (a) the reasonable cost of removing and correcting the defective or nonconforming Work, and (b) the difference between the fair market value of the Project as constructed and the fair market value of the Project had it not been constructed in such a manner as to include defective or nonconforming Work. If the remaining portion of the unpaid Contract Price, if any, is insufficient to compensate the City for its acceptance of defective or nonconforming Work, the Contractor shall, upon written demand from the City, pay the City such remaining compensation for accepting defective or nonconforming Work.

ARTICLE XII

CONTRACT TERMINATION

12.1 TERMINATION BY THE CONTRACTOR

12.1.1 If the Work is stopped for a period of ninety (90) days by an order of any court or other public authority, or as a result of an act of the Government, through no fault of the Contractor or any person or entity working directly or indirectly for the Contractor, the Contractor may, upon ten (10) days' written notice to the City and the Engineer, terminate performance under this Contract and recover from the City payment for the actual reasonable expenditures of the Contractor (as limited in Subparagraph 10.3.2 above) for all Work executed and for materials, equipment, tools, construction equipment and machinery actually purchased or rented solely for the Work, less any salvage value of any such items.

12.1.2 If the City shall persistently or repeatedly fail to perform any material obligation to the Contractor for a period of fifteen (15) days after receiving written notice from the Contractor of its intent to terminate hereunder, the Contractor may terminate performance under this Contract by written notice to the Engineer and the City. In such event, the Contractor shall be entitled to recover from the City as though the City had terminated the Contractor's performance under this Contract for convenience pursuant to Subparagraph 12.2.1 hereunder.

12.2 TERMINATION BY THE CITY

12.2.1 FOR CONVENIENCE

12.2.1.1 The City may for any reason whatsoever terminate performance under this Contract by the Contractor for convenience. The City shall give written notice of such termination to the Contractor specifying when termination becomes effective.

12.2.1.2 The Contractor shall incur no further obligations in connection with the Work, other than job site clean-up and protection, and the Contractor shall stop Work when such termination becomes effective. The Contractor shall also terminate outstanding orders and subcontracts. The Contractor shall settle the liabilities and claims arising out of the termination of subcontracts and orders. The City may direct the Contractor to assign the Contractor's right, title and interest under terminated orders or subcontracts to the City or its designee.

12.2.1.3 The Contractor shall transfer title and deliver to the City such completed or partially completed Work and materials, equipment, parts, fixtures, information and Contract rights as the Contractor has.

12.2.1.4 (a) The Contractor shall submit a termination claim to the City and the Engineer specifying the amounts due because of

the termination for convenience together with costs, pricing or other data required by the Engineer. If the Contractor fails to file a termination claim within one (1)

year from the effective date of termination, the City shall pay the Contractor, an amount derived in accordance with subparagraph (c) below.

(b) The City and the Contractor may agree to the compensation, if any, due to the Contractor hereunder.

(c) Absent agreement to the amount due to the Contractor, the City shall pay the Contractor the following amounts:

(i) Contract (unit) prices which shall encompass labor, materials, equipment and other services accepted under this Contract;

(ii) Reasonable costs incurred in preparing to perform and in performing the terminated portion of the Work, and in terminating the Contractor's performance, plus a fair and reasonable allowance for overhead and profit thereon (such profit shall not include anticipated profit or consequential damages), provided however, that if it appears that the Contractor would have not profited or would have sustained a loss if the entire Contract would have been completed, no profit shall be allowed or included and the amount of compensation shall be reduced to reflect the anticipated rate of loss, if any;

(iii) Reasonable costs of settling and paying claims arising out of the termination of subcontracts or orders pursuant to Subparagraph 12.2.1.2 of this Paragraph. These costs shall not include amounts paid in accordance with other provisions hereof.

The total sum to be paid the Contractor under this Subparagraph 12.2.1 shall not exceed the total Contract Price, as properly adjusted, reduced by the amount of payments otherwise made, and shall in no event include duplication of payment.

12.2.2 FOR CAUSE

12.2.2.1 If the Contractor persistently or repeatedly refuses or fails to prosecute the Work in a timely manner, abandons the jobsite and fails to resume work within five (5) days of written notice thereof by the City, fails to grant or allow access to the jobsite by the City or Engineer, fails to supply enough properly skilled workers, supervisory personnel or proper equipment or materials, fails to make prompt payment to Subcontractors or for materials or labor, persistently disregards laws, ordinances, rules, regulations or orders of any public authority having jurisdiction, or otherwise is guilty of a violation of a material provision of this Contract, then the City may by written notice to the Contractor, without prejudice to any other right or remedy, terminate the employment of the Contractor and take possession of the site and of all materials, equipment, tools, construction equipment and machinery thereon owned by the Contractor and may finish the Work by whatever methods it may deem expedient. In such case, the Contractor shall not be entitled to receive any further payment until the Work is finished.

12.2.2.2 If the unpaid balance of the Contract Price does not exceed the cost of finishing the work, including compensation for the Engineer's additional services and expenses made necessary thereby, such difference shall be paid by the Contractor to the City. This obligation for payment shall survive the termination of the Contract.

12.2.2.3 In the event the employment of the Contractor is terminated by the City for cause pursuant to Subparagraph 12.2.2 and it is subsequently determined by a Court of competent jurisdiction that such termination was without cause, such termination shall thereupon be deemed a Termination for Convenience under Subparagraph 12.2.1 and the provisions of Subparagraph 12.2.1 shall apply.

12.2.2.4 Should the City allow the Contractor to continue its performance of Work notwithstanding an event of default, or should there be an imminent potential of default, the City, at its sole option and within its sole discretion, may retain a third-party construction manager to document the events of default and oversee further progress of the Work. The use of a third-party construction manager shall not prevent the City from declaring the Contractor to be in default and the City may, at its sole option and within its sole discretion, terminate this Contract at any time. Should the City retain a third-party construction manager, the costs thereof shall be withheld from any amounts due Contractor upon termination. The City's exercise of this option shall be without prejudice to

any other right or remedy available to the City by law or under this Contract.

ARTICLE XIII

INSURANCE

13.1 CONTRACTOR SHALL MAINTAIN INSURANCE

13.1.1 The Contractor at his own expense shall purchase, maintain and keep in force during the life of this contract, adequate insurance that will protect the City, the Contractor and/or any Additional Insured from claims which may arise out of or result from operations under this contract. The insurance carriers must be authorized to transact business in Texas, approved by the City, and have an A.M. Best rating of A+ or its equivalent. The insurance required shall provide adequate protections from all claims, whether such operations be by the Contractor or by any Additional Insured or by any Subcontractor or by anyone directly or indirectly employed by any of them, or by anyone whose acts of any of them may be liable and from any special hazards, such as blasting, which may be encountered in the performance of this contract in the amounts as shown below in Paragraph 13.2.1.

13.1.2 The Contractor shall not commence work until the Contractor has obtained all the insurance required under this paragraph and such insurance has been approved by the City.

13.2 TYPES AND AMOUNTS OF CONTRACTOR'S INSURANCE

13.2.1. The Contractor shall furnish and maintain during the life of the contract adequate Worker's Compensation and Commercial General Liability (Public) Insurance in such amounts as follows:

Type of Insurance	Amount
Worker's Compensation	As set forth in the Worker's Compensation Act
Commercial General Liability (Public)	$1,000,000 Each Accident/Occurrence. $1,000,000 Aggregate $1,000,000 Products & Completed Operations Aggregate.
City's Protective	$600,000 per occurrence Liability Insurance $1,000,000 aggregate
Excess/Umbrella Liability	$1,000,000 per occurrence w/drop down coverage Limit of Insurance per Project or City's and Contractor's Protective Liability Insurance for the Project.
Automobile Liability	$500,000 Combined single limit per occurrence.

13.3 ADDITIONAL INSURED

13.3.1 The City shall be named as an additional insured on the Commercial General Liability (Public), City's Protective Liability, and Excess/Umbrella Liability Insurance Policies furnished by the Contractor.

13.4 WRITTEN NOTIFICATION

13.4.1 Each insurance policy shall be endorsed to contain a provision requiring that thirty (30) days prior to expiration, cancellation, non-renewal or any material change in coverage, a notice thereof shall be given by certified mail to the Division of Purchasing, City of Rowlett, 4000 Main Street, Rowlett, Texas, 75088. In the event the insurance company providing insurance is unable to contain such endorsement Contractor shall provide written notice to City of any expiration, cancellation, non-renewal or any material change in coverage.

13.5 PREMIUMS AND ASSESSMENTS

13.5.1 Companies issuing the insurance policies shall have no recourse against the City for payment of any premiums or assessments for any deductibles which are at the sole responsibility and risk of the Contractor.

13.6 CERTIFICATE OF INSURANCE

13.6.1 Proof that the insurance is in force shall be furnished to the City on City of Rowlett Standard Certificate of Insurance Forms. In the event, any insurance policy shown on the Certificate of Insurance has an expiration date that is prior to the completion and final acceptance of the Project by the City, the Contractor shall furnish the City proof of identical

continued coverage no later than thirty (30) days prior to the expiration date shown on the Certificate of Insurance.

13.7 PRIMARY COVERAGE

13.7.1 The coverages provided herein shall be primary and noncontributory with any other insurance maintained by the City for its benefit, including self-insurance.

13.8 SUBROGATION

13.8.1 Companies issuing the insurance policies shall have no recourse against the City for payment of any premiums or assessments for any deductibles which are at the sole responsibility and risk of the Contractor. Insurance Companies shall have no right of subrogation against the City or the Engineer.

13.9 WORKER'S COMPENSATION INSURANCE COVERAGE

13.9.1 The Contractor shall:

(1) provide coverage for its employees providing services on a project, for the duration of the project based on proper reporting of classification codes and payroll amounts and filing of any coverage agreements;

(2) provide a certificate of coverage showing workers' compensation coverage to the governmental entity prior to beginning work on the project;

(3) provide the governmental entity prior to the end of the coverage period, a new certificate of coverage showing extension of coverage, if the coverage period shown on the contractor's current certificate of coverage ends during the duration of the project;

(4) obtain from each person providing services on a Project, and provide to the governmental entity:

(A) a certificate of coverage, prior to that person beginning work on the project, so the governmental entity will have on file certificates of coverage showing coverage for all persons providing services on the project; and

(B) no later than seven days after receipt by the contractor, a new certificate of coverage showing extension of coverage, if the coverage period shown on the current certificate of coverage ends during the duration of the project;

(5) retain all required certificates of coverage on file for the duration of the project and for one year thereafter;

(6) notify the governmental entity in writing by certified mail or personal delivery, within 10 days after the contractor knew or should have known, of any change that materially affects the provision of coverage of any person providing services on the project;

(7) post a notice on each project site informing all persons providing services on the project that they are required to be covered, and stating how a person may verify current coverage and report failure to provide coverage. This notice does not satisfy other posting requirements imposed by the Act or other commission rules. This notice must be printed with a title in at least 30-point bold type and text in at least 19- point normal type and shall be in both English and Spanish and any other language common to the worker population. The text for the notices shall be the following text provided by the Texas Worker's Compensation Commission on the sample notice, without any additional words or changes:

REQUIRED WORKERS' COMPENSATION COVERAGE

"The law requires that each person working on this site or providing services related to this construction project must be covered by workers' compensation insurance. This includes persons providing, hauling, or delivering equipment or materials, or providing labor or transportation or other service related to the project, regardless of the identity of their employer or status as an employee."

"Call the Texas Workers' Compensation Commission at 512-440-3789 to receive information on the legal requirement for coverage, to verify whether your employer has provided the required coverage, or to report an employer's failure to provide coverage."

and

(8) contractually require each person with whom it contracts to provide services on

a project, to:

(A) provide coverage based on proper reporting of classification codes and payroll amounts and filing of any coverage agreements for all its employees providing services on the project, for the duration of the project;

(B) provide a certificate of coverage to the contractor prior to that person beginning work on the project;

(C) include in all contracts to provide services on the project the language in subsection (7) of this section;

(D) provide the Contractor, prior to the end of the coverage period, a new certificate of coverage showing extension of coverage, if the coverage period shown on the current certificate of coverage ends during the duration of the project;

(E) obtain from each other person with whom it contracts, and provide to the Contractor:

(i) a certificate of coverage, prior to the other person beginning work on the project; and

(ii) prior to the end of the coverage period, a new certificate of coverage showing extension of the coverage period, if the coverage period shown on the current certificate of coverage ends during the duration of the project;

(F) retain all required certificates of coverage on file for the duration of the project and for one year thereafter;

(G) notify the City in writing by certified mail or personal delivery, within 10 days after the person knew or should have known, of any change that materially affects the provision of coverage of any person providing services on the project; and

(H) contractually require each other person with whom it contracts, to perform as required by sub-

paragraphs (A) - (G) of this subsection, with the certificate of coverage to be provided to the person for whom they are providing services.

ARTICLE XIV MISCELLANEOUS

14.1 LAWS AND ORDINANCES

14.1.1 The Contractor shall always and in all respects, observe and comply with all federal, state and local laws, ordinances, and regulations applicable to the Project and Work. The Contractor shall further ensure that all Subcontractors observe and comply with said laws, ordinances and regulations.

14.2 GOVERNING LAW

14.2.1 The Contract shall be governed by the laws of the State of Texas. Venue for any causes of action arising under the terms or provisions of this Contract or the Work to be performed hereunder shall be in the state courts of Dallas County, Texas.

14.3 SUCCESSORS AND ASSIGNS

14.3.1 The City and Contractor bind themselves, their respective successors, assigns and legal representatives to the other party hereto and to successors, assigns and legal representatives of such other party in respect to covenants, agreements and obligations contained in this Contract. The Contractor shall not assign this Contract without written consent of the City.

14.4 SURETY BONDS

14.4.1 The Contractor shall furnish separate performance and payment bonds to the City, per the requirements set out in the bid documents and state statutes to guaranty full and faithful performance of the Contract and the full and final payment of all persons supplying labor or materials to the Project. Each bond required by the bid documents or state statute shall set forth a penal sum in an amount not less than the Contract Price. Each bond furnished by the Contractor shall incorporate by reference the terms of this Contract as fully as though they were set forth verbatim in such bonds. In the event the Contract Price is adjusted by Change Order executed by the Contractor, the penal sum of both the performance bond and the payment bond shall be deemed increased

by like amount. The performance and payment bonds furnished by the Contractor shall be in form suitable to the City and shall be executed by a surety, or sureties, reasonably suitable to the City and authorized to do
business in the State of Texas by the State Board of Insurance.

14.4.2 The Contractor, upon execution of the Contract and prior to commencement of the Work, shall furnish to the City a two-year maintenance bond in the amount of one hundred percent (100%) of the Contract Price covering the guaranty and maintenance prescribed herein, written by an approved surety authorized and duly licensed to conduct business in the State of Texas. The cost of said maintenance bond shall be included in the Contractor's unit bid prices and shall be paid by the Contractor.

14.5 SEVERABILITY

14.5.1 The provisions of this Contract are herein declared to be severable; if any term, provision or part hereof is determined to be invalid, void or unenforceable, such determination shall not affect the validity or enforceability of the remaining terms, provisions and parts, and this Contract shall be read as if the invalid, void or unenforceable portion had not been included herein.

14.6 AMENDMENTS

14.6.1 This Contract may be amended by the parties only by a written agreement duly executed by both parties. The failure of the City to object to any nonperformance or nonconforming work or to enforce any provision hereof shall in no event be regarded as or construed to be a waiver, release or modification of any term or provision in this Contract, nor shall such failure to object or enforce estop the City from insisting on strict compliance with this Contract or from recovering damages, costs or expenses arising because of such nonperformance or nonconforming work.

14.7 FORCE MAJEURE

14.7.1 As used herein, "force majeure" means an incident, situation, or act of a third party that is beyond a party's reasonable control such as an act of God, an act of the public enemy, strikes or other labor disturbances (other than strikes within such party's own labor force), hurricanes, earthquakes, fires, floods, epidemics, embargoes, war, and riots. The Contractor will not be liable or responsible for its failure to perform any obligation under this Contract because of an event of Force Majeure, provided, however, that the Contractor submits notice thereof to the City and Engineer within seven (7) days of such an event, obtains a written Change Order, signed by all parties, that allows an extension of the scheduled completion date, and identifies the specific causes and number of days in the Statement of Delay submitted with the next ensuing

Application for Payment.

14.8 NOTICES

14.8.1 All notices required by this Contract shall be presumed received when deposited in the mail properly addressed to the other party or Engineer at the address set forth herein or set forth in a written designation of change of address delivered to all parties and the Engineer.

14.9 IMMUNITIES; DEFENSES

14.9.1 Nothing in this Contract shall be deemed to waive any immunity, sovereign, governmental, official, qualified or otherwise, from liability or suit, which the City may have or assert, except as may be provided by law, all such immunities being hereby expressly retained.

14.10 NO RIGHTS IN THIRD PARTIES

14.10.1 The indemnification provisions of this Contract and the rights and remedies afforded herein are solely for the benefit of the parties to this Contract. Nothing in this Contract is intended nor shall be construed to grant, create or confer any right, benefit, interest or cause of action in any person not a party to this Contract, or to the public in general.

14.11 PROHIBITION OF BOYCOTT ISRAEL

14.11.1 PROHIBITION OF BOYCOTT ISRAEL. The Contractor verifies that it does not Boycott Israel and agrees that during the term of this Contract will not Boycott Israel as that term is defined in Texas Government Code Section 808.001, as amended. For purposes of this verification, "Boycott Israel" means refusing to deal with, terminating business activities with, or otherwise taking any action that is intended to penalize, inflict economic harm on, or limit commercial relations specifically with Israel, or with a person or entity doing business in Israel or in an Israeli-controlled territory, but does not include an action made for ordinary business purposes.

14.11.2 IRAN, SUDAN, AND FOREIGN TERRORIST ORGANIZATIONS. The Contractor 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 or State law and excludes the Contractor 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 Contractor understands "affiliate" to mean any entity that controls, is controlled by, or is under common control with the Contractor and exists to make a profit.

14.11.3 PROHIBITION OF BOYCOTT ENERGY COMPANIES. Contractor verifies that it does not Boycott Energy Companies and agrees that during the term of this Contract will not Boycott Energy Companies as that term is defined in Texas Government Code Section 809.001, as amended. This section does not apply if Contractor is a sole proprietor, a non-profit entity, or a governmental entity; and only applies if: (i) Contractor has ten (10) or more fulltime employees and (ii) this Contract has a value of $100,000 or more to be paid under the terms of this Contract.

14.11.4 PROHIBITION OF DISCRIMINATION AGAINST FIREARM ENTITIES AND FIREARM TRADE ASSOCIATIONS. Contractor verifies that it does not have a practice, policy, guidance, or directive that discriminates against a firearm entity or firearm trade association; and (ii) will not discriminate during the term of the contract against a firearm entity or firearm trade association. This section only applies if: (i) Contractor has ten (10) or more fulltime employees and (ii) this Contract has a value of $100,000.00 or more to be paid under the terms of this Contract. However, this prohibition does not apply: (i) if Contractor is a sole proprietor, a non-profit entity, or a governmental entity; (ii) to a contract with a sole-source provider; or (iii) to a contract for which none of the bids from a company were able to provide the required certification.

EXECUTED in single or multiple originals, this___day of__, 2026.

CITY OF ROWLETT, TEXAS

_____
Jeff Winget, Mayor

ATTEST:

_____
Deborah Sorensen, City Secretary

DDM CONSTRUCTION CORPORATION

_____
Zack Markwardt, President

306 W. Overly Dr.
(Street Address)

Lake Dallas, Texas 75065
(City/State/Zip)

CORPORATE ACKNOWLEDGMENT

THE STATE OF _____

COUNTY OF _____

BEFORE ME, the undersigned authority, a Notary Public in and for said County and State, on this day personally appeared:

_____ _____
(Print Name) *(Print Title)*

of_____, the Contractor designated herein above, 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 Contractor, a corporation, that he was duly authorized to perform the same by appropriate resolution of the board of directors of such corporation and that he executed the same as the act and deed 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___ day of_____, A.D., 2026.

_____
Notary Public In and For

_____County, _____

My Commission expires: _____

MAYOR'S ACKNOWLEDGMENT

THE STATE OF
TEXAS COUNTY OF
DALLAS

BEFORE ME, the undersigned authority, a Notary Public in and for said County and State, on this day personally appeared the undersigned, Mayor of the City of Rowlett, Texas, a municipal corporation, 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 City of Rowlett, Texas, a municipal corporation, that he/she was duly authorized to perform the same by appropriate resolution of the City Council of the City of Rowlett and that he/she executed the same as the act of the said City for purpose and consideration therein expressed, and in the capacity therein stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this____day of_____, A.D., 2026.

_____
Notary Public in and for the State of Texas

My Commission expires:_____

SECTION 11 NCTCOG STANDARD AND SPECIAL CONDITIONS

NCTCOG STANDARD SPECIFICATIONS AND SPECIAL CONDITIONS

The City of Rowlett has adopted the North Central Council of Governments Standard Specifications for Public Works Construction, 5th Edition with the following revisions as shown in *italics.*

Item 103.3.1.1. Performance Bond
- This bond shall provide for the repair and/or replacement of all defects due to faulty materials and workmanship that appear within a period of *two years* from the date of completion and acceptance of the improvement by the OWNER or such lesser or greater period as may be designated in the contract documents.

Item 105.2.2. Special Warranty
- If within *two years* after final acceptance of the work by the OWNER, …

FORM A.2. STANDARD CONSTRUCTION CONTRACT
- Omit and use the City's Standard Form of Agreement

FORM A.3. PERFORMANCE BOND
- 4th paragraph, "…the Principal shall repair and/or replace all defects due to faulty materials or workmanship that appear within a period of *two (2) years* from the date of completion and final acceptance by OWNER…"

- 6th paragraph, "Surety agrees that the bond provides for the repairs and/or replacement of all defects due to faulty materials and workmanship that appear within a period of *two (2) years* from the date of completion and acceptance of the improvements by the OWNER."

SPECIAL CONDITIONS

SC.01 GENERAL

All materials and workmanship shall conform to the City of Rowlett Standards and governed by the North Central Texas Council of Governments (NCTCOG) Standard Specifications For Public Works Construction, 5th Edition. Where indicated for specific pay items noted in the plans, all materials and workmanship shall conform to the Texas Department of Transportation Specifications for Construction and Maintenance of Highways, Streets, and Bridges, as adopted by the Texas Department of Transportation on September 1, 2024.

SC.02 LOCATION OF PROJECT

The work awarded under this contract shall include the following locations:

Salzburg Dr (from Acapulco Dr to alley east of Swiss Way) and Swiss Way (from Acapulco Dr to Salzburg Dr).

SC.03 SCOPE OF WORK

The work under this contract includes furnishing all labor, tools, material, and equipment, and for performing all work necessary for construction of Salzburg Dr (from Acapulco Dr to alley east of Swiss Way) and Swiss Way (from Acapulco Dr to Salzburg Dr). The reconstruction includes 7,800 SY of concrete pavement, 500 LF of drainage, 2,500 LF of water, 2,300LF of wastewater, and 2,300LF of illumination conduit. Construction plans were prepared and provided by the City of Rowlett.

SC.04 DISQUALIFICATION OF BIDDERS

Add the following to Item 2 of the Additional Conditions for Public Works Construction Contracts first paragraph:

Within five (5) working days after bid opening, the apparent low bidder shall submit such evidence as the OWNER may require to establish the bidder's qualifications to satisfactorily perform the work included in this project. Information that shall be required shall include the following:

Add the following to Item 2 of the Additional Conditions for Public Works Construction Contracts after the last paragraph:

Should the bidder fail to produce evidence satisfactory to the OWNER on any of the foregoing points, he may be disqualified and the work awarded to the next bidder so qualifying.

SECTION 12 MEASUREMENT AND PAYMENT

MEASUREMENT AND PAYMENT

1. **SCOPE AND CONTRACT PRICE:** This section provides clarification of the measurement and payment for some work items in this Contract.

   The total Contract Price shall cover all Work required by the Contract Documents. All costs in connection with the proper and successful completion of the Work, including furnishing all materials, equipment, supplies, and appurtenances; providing all construction plant, equipment, and tools; and performing all necessary labor and supervision to fully complete the Work, shall be included in the unit and lump sum prices bid. All Work not specifically set forth as a pay item in the Proposal and Bid Form shall be considered a subsidiary obligation of Contractor and all costs in connection therewith shall be included in the prices bid.

2. **ESTIMATED QUANTITIES:** All estimated quantities stipulated in the Proposal and Bid Form or other Contract Documents are approximate and are to be used only (a) as a basis for estimating the probable cost of the Work and (b) for the purpose of comparing the bids submitted for the Work. The actual amounts of work done and materials furnished under unit price items may differ from the estimated quantities. The basis of payment for work and materials will be the actual amount of work done and materials furnished. Contractor agrees that it will make no claim for damages, anticipated profits, or otherwise on account of any difference between the amounts of work actually performed and materials actually furnished and the estimated amounts.

3. **SUBSIDIARY PAY ITEMS:** The following items shall be considered subsidiary to the pay items provided for the work under this contract. Other subsidiary items are described herein.

   - Contractor is responsible for any irrigation adjustments or repairs related to construction.
   - Monolithic curbs are subsidiary to pavement pay item(s).
   - Any vertical adjustment of existing elements within or adjacent to paving is subsidiary to bid items. This may include valve risers, manhole rims, irrigation heads, and other items.
   - Construction staking.

SECTION 13 SUPPLEMENTAL PROVISIONS

BID ITEMS

Bid Item 1 Mobilization (Max. 5% of Total Bid)

This item shall govern for obtaining bonds and insurance and the movement of personnel, construction equipment and supplies to the project site to enable the Contractor to begin work on the other contract items that will be performed by the Contractor. The maximum bid amount for this item shall not exceed five percent (5%) of the total bid.

Twenty-five percent (25%) of this bid item will be paid after the work has begun on the first payment request. After successfully completing fifty percent (50%) of the work, an additional fifty percent (50%) will be paid if the project is on schedule. The final twenty-five percent (25%) will not be released until **WORK** is eighty-five percent (85%) complete, to allow for demobilization.

Bid Item 2 ROW Preparation (Clearing and Grubbing) (Ref. NCTCOG ITEM #203)

This pay item shall consist of the preparation of the existing right-of-way (ROW) for construction as required by the plans and specifications. It will include the area between the right-of-way limits, additional areas beyond the right-of-way such as temporary construction, slope, and drainage easements, and any other easements shown on the plans. Work shall be in accordance with *North Central Texas Council of Governments, 5th Edition, August 2023 (NCTCOG)* Item 203 and shall include, but not be limited to: all obstructions above ground and below such as trees, shrubs, stumps, brush, roots, vegetation, logs, trash concrete, asphalt, fences, structures, signs, foundations, lumber, scrap metal, abandoned appliances, abandoned utility pipes or conduits and any other items not included as pay items elsewhere in the contract documents but necessary for the preparation of the right-of-way and/or permanent or temporary easements for construction. All material and debris removed as described above shall become the property of the Contractor and shall be disposed of at the Contractor's expense in a manner satisfactory to the City of Rowlett and other items identified in NCTCOG Item 107.26. All items relocated or replaced shall be in a condition equal to or better than the original condition. The Contractor shall videotape and/or photograph the existing right-of-way prior to construction.

Payment shall be made on Lump Sum basis. Payment shall be total compensation for providing all materials, tools, equipment, labor, and any other incidental necessary to complete the work. If this pay item exceeds 10% of the total project cost, exclusive of this pay item, then any amount over the 10% will not be paid until the final payment.

Bid Item 3 Develop & Implement SWPPP

The Contractor shall prepare and submit the Storm Water Pollution Prevention Plan (SWPPP) to the City. The Contractor shall provide the City with proposed methods of stormwater pollution control for Contractor operations in areas that are outside the limits of the erosion control plan or the SWPPP. The Contractor shall keep a copy of the SWPPP on-site at all times during the construction.

The Contractor shall install, maintain and remove stormwater pollution prevention devices at all inlets and storage areas where sediment can enter the creeks and storm sewer system. Devices shall be installed in accordance with NCTCOG Item 202. The cost associated with installing, maintaining, and removing stormwater pollution prevention devices shall include but not be limited to, all equipment, labor, tools and related materials necessary to complete the work. Payment shall be a lump sum as identified in the Bid Schedule. 60% of the bid price will be paid after installation and 10% will be saved for removal. Copies of inspection reports shall be submitted with the monthly pay estimates.

Bid Item 4 Traffic Control

This item shall be for furnishing and maintaining barricades and traffic control. Where the work is carried on, in or adjacent to any street or public place, the Contractor shall furnish and erect such barricades, fences, lights and danger signals; shall provide such watchmen and shall take such other precautionary measures for the protection of persons or property and of the work as are necessary.

This item shall be done in accordance with the current provision in the latest edition of the *Texas Manual on Uniform Traffic Control Devices (TMUTCD)*.

The Contractor will be responsible for all damage to the work due to failure of barricades, signs, lights, and watchmen to protect. If and whenever evidence is found of such damage, the Owner may order the damage portion immediately removed and replaced by the Contractor at his cost and expense. The Contractor's responsibility for maintenance of barricades, signs and lights shall not cease until the project is accepted by the Owner. Payment shall be per month and shall be the total compensation for finishing all labor, materials, and equipment necessary to complete the work.

Bid Item 5 Trench Safety (Including Trench Safety Design)

This item shall include the design and implementation of trench safety for all trenches provided by this project. The design shall be in accordance with the Department of Labor criteria, OSHA safety and health standards (29CFR 1926/1010), and the Texas trench safety criteria. The design shall be prepared, signed, and sealed by a licensed professional geotechnical or structural engineer. The engineer shall have sufficient professional engineering competence to designate necessary geotechnical investigation, interpret information, and formulate structural design. The engineer shall be experienced in trench safety design and shall have had no trench safety design failures. Payment for trench safety design and implementation shall be the unit bid price per linear foot for all trenches and shall include all necessary labor, equipment, and materials to perform the work.

Bid Item 6 Unclassified Street Excavation

Unclassified street excavation shall consist of all the required excavation within the limits of the right-of-way and areas adjacent thereto (except excavation specifically described and provided for elsewhere in the specifications and have separate pay item); the removal, proper utilization or disposal of all excavated material; and shaping and finishing of all earthwork in conformity with the lines and grades as shown on the plans or as established by the City in accordance with the specification requirements contained herein.

Without regard to materials encountered, all street excavations shall be unclassified and shall be designated as "Unclassified Street Excavation," which shall include all materials excavated. It is to be distinctly understood that any reference to rock or other material on the plans and/or in this specification is solely for the City's and Contractor's information and is not to be taken as an indication of classification of excavation.

All excavation shall be in accordance with the lines, grades and typical sections as shown on the plans or as established by the City. Unless otherwise shown on the plans or established by the City, the street excavation shall be made to the subgrade of the roadway and finished grade of parkways. Where excavation to grades established in the field by the OWNER would terminate in unstable soil, the Contractor shall remove the unstable soil and backfill to the required grade. Where excavation to grade established in the field by the City terminated in loose or solid rock, the Contractor may be required to extend the depth of excavation by 6 inches and to backfill with select material compacted as required.

If it is necessary in the execution of the work to interrupt the natural drainage of the surface or the flow of artificial drains, the Contractor shall provide temporary drainage facilities that shall prevent damage to public or private interest and shall restore the original drains as the work shall permit.

The Contractor shall be held liable for all damages that result from neglecting to provide for either natural or artificial drainage, which his work may have interrupted.

Excavation in excess of that needed for construction shall be disposed of by the Contractor. In general, suitable

excess street excavation shall be used in construction of parkways, widening of embankments, flattening of slopes, etc., but if it becomes necessary to waste any material, it shall be disposed of in such a manner as to present a neat appearance and to not obstruct proper drainage or cause injury to any street improvements or abutting property. If necessary to haul off excess or unsuitable material, the Contractor should ask for approval from the City as to the disposition site and method.
The measurement and payment shall be by cubic yard. This pay item shall include placing excavated material in the embankment, saw cutting, loading, and hauling and for satisfactory disposal of unsuitable and excess materials; finishing slopes, ditches, and parkways; for all maintenance blading or scarifying the ground surface; and for furnishing all labor, tools, materials, equipment, and incidentals necessary to complete the work. Dragging, pushing, or scraping of material along or across the surface of the complete concrete improvements or pavements shall not be permitted.

Bid Item 7 Remove and Dispose of Concrete/Asphalt Pavement & Drive

This item is for full depth sawcutting, removing, and legally disposing off-site all concrete and asphalt pavement (including integral curb), driveways, and alley paving as delineated by the pavement improvement limits including trench cuts within existing pavement for utility installation. The Contractor may sawcut pavement within the construction limits at his option. Such sawcutting will not be measured for payment but will be considered subsidiary to the removal of the concrete. Measurement and payment shall be by the Square Yard regardless of the thickness of the concrete. Contractor's price for removal and legal disposal off-site shall include all labor, equipment, hauling, disposal cost, and incidentals necessary to complete the work.

Bid Item 8 Remove and Dispose of Concrete Sidewalk

This item is for full depth sawcutting, removing, and legally disposing off-site all concrete sidewalks as delineated by the proposed sidewalk improvement limits. Measurement and payment shall be by the Square Yard regardless of the thickness of the concrete. Contractor's price for removal and legal disposal off-site shall include all labor, equipment, hauling, disposal cost, and incidentals necessary to complete the work.

Bid Item 9 8" Flex Base

This item is for the construction of 8-inch thick flex base, either crushed stone or recycled crushed concrete, complete in place. Flex base shall be per NCTCOG Item 301.5. The 12” density controlled subgrade under flex base shall be subsidiary to this bid item.
This item is paid for on a unit price basis for each square yard. The unit price shall include materials, temporary stockpiling, loading, hauling, delivery of materials, spreading, blading, mixing, shaping, placing, compacting, reworking, finishing, correcting locations where thickness is deficient, curing, equipment, labor, tools, and incidentals.

Bid Item 10 8" Reinforced Concrete Pavement

This item shall include the work specified in NCTCOG Specification Item 303, Portland Cement Concrete Pavement for the construction of 8-inch reinforced concrete street paving as per the City of Rowlett Standards. The concrete shall test at a minimum of 4,000 psi at 28 days per ASTM C 39, Standard Test Method for Compressive Strength of Cylindrical Concrete Specimens. Maximum slump for the concrete shall be 3". The concrete shall be doweled to the existing pavement and reinforced in accordance with the plan details. The reinforcing steel shall be grade 60 and shall be supported on approved chairs that will support the reinforcing steel in the center of the concrete.
The Contractor shall vibrate all concrete during the pour by a method approved by the Engineering Department. A minimum of two 6" x 12" cylinders shall be taken for every 25 cubic yards of pour. These cylinders shall all be broken at 28 days. No sand level up course will be allowed under any paving. The paving shall have a baker broom finish and shall be cured with a highway white curing compound applied per manufacturer’s recommendations.

Measurement shall be by the Square Yard of completed and accepted pavement of the thickness specified. Payment shall include all labor, equipment and materials necessary to complete the work to include concrete paving for the adjustment of inlet throats. The 6" integral concrete curb shall be subsidiary to this bid item.

Bid Item 11 8" Reinforced Concrete Alley Pavement

This item is for the construction of reinforced concrete alley pavement per Detail (SD-5) of City of Rowlett's Standard Construction Details. The concrete shall test at a minimum of 4,000 psi at 28 days per ASTM standard testing procedures. The pavement shall be reinforced with #3 reinforcing bars at 12-inch spacing in each direction. The reinforcing steel shall conform to ASTM Designation A615 Grade 60 and be supported on chairs that will support the reinforcing steel 3-inches above the subgrade. The contractor shall vibrate all concrete during the pour with a stick vibrator. This item is paid on a unit price basis for each square yard of alley paving placed and shall include the necessary curbing. No sand level up course will be allowed under any paving. Contractor's price shall be by the square yard and shall include all labor, equipment, materials, testing and all incidentals necessary to complete the work.

Bid Item 12-15 Barrier Free Ramps

These items shall consist of the complete in-place construction of Barrier Free Ramps with a composite polymer detectable warning panel. Barrier Free Ramps indicated as TxDOT Type 3 will be constructed according to TxDOT specifications. Other ramps will be constructed as per the details provided by the engineer. The concrete shall be a 5-sack mix and shall test at a minimum of 3,500 psi at 28 days per ASTM standard testing procedures. The unit price per each shall include all labor, equipment, and materials necessary to complete the work. Payment for sawcut, removal and replacement of curb associated with Barrier Free Ramps installation shall be subsidiary to these bid items.

Bid Item 16 4" Concrete Sidewalk

This item shall include placement of new 4-inch thick reinforced concrete sidewalks to the widths and at the locations shown in the plans in accordance with the City of Rowlett's Standard Construction Details.

The contractor shall replace the existing sidewalks with four-inch (4") thick reinforced concrete. The concrete shall be a minimum of five (5) sack per cubic yard mix, with a minimum concrete strength of 3,500 psi at 28 days. Maximum slump shall be three inches (3"). The sidewalk shall be reinforced with #3 reinforcing bars at 18" spacing in each direction. Reinforcing shall be new billet steel, ASTM A615 grade 60 reinforcing bars. Bars shall be free of rust, loose scale, paint, oil, or other foreign substances which shall prevent bonding of the concrete and reinforcing bars.

The unit price per square yard shall include all labor, equipment, and materials necessary to complete the work as delineated on the plans. No separate pay is allowed for sawcutting of sidewalks and shall be included in the price of this bid item.

This item includes payment for 1" compacted flex base under the proposed sidewalk. No separate payment shall be made for 1" compacted flex base.

Bid Item 17 Concrete Steps (with Edge Wall)

This Item covers the construction of reinforced concrete sidewalk steps to match revised grade elevations to existing steps or sidewalk leading to private residences contiguous to the project. The proposed steps shall match existing steps as closely as practicable and shall be constructed according to the detail in the plans; and doweled into existing steps or sidewalk as directed by the Owner's or its Representative. Concrete shall be 3,600 psi at 28 days, class C in accordance with NCTCOG construction standards. Edge Wall payment shall be subsidiary to this pay item. Measurement and payment shall be per each step furnished and installed, complete in place.

Bid Item 18 Remove & Replace Signs With New Posts

This pay item shall consist of the removal of traffic sign poles and furnishing & installation of new standard roadway traffic sign and pole at the locations shown in the construction plan set. This item includes the hardware and equipment required to install the sign regardless of the type and size of the sign.

Measurement and payment shall be for each new pole installed and shall include all labor, storage, equipment, and materials necessary to complete the work.

Bid Item 19 Remove Retaining Wall

This item is for removing all types existing retaining walls. Any landscaping behind the existing wall shall remain in place. Any landscaping damaged during construction shall be replaced as part of this bid item. The area shall be photographed before the start of construction. Material from wall may be salvage to property owner at the request of the property owner with approval from the City. Measurement and payment shall be by the linear foot (regardless of height). The Contractor shall notify property owner in advance of the work. The Contractor's bid price shall be full compensation for furnishing all labor, materials, supplies, equipment, and incidentals necessary to complete the work as specified.

Bid Item 20 Remove & Reset Concrete Block Retaining Wall

This item is for removing and resetting concrete block retaining wall beyond the proposed sidewalk. Any landscaping damaged during construction shall be replaced as part of this bid item. The area shall be photographed before the start of construction. Measurement and payment shall be by the linear foot (regardless of height). The Contractor shall notify property owner in advance of the work. The Contractor's bid price shall be full compensation for furnishing all labor, materials, supplies, equipment, and incidentals necessary to complete the work as specified.

Bid Item 21 Concrete Sidewalk w/ Retaining Wall Up to 18" Tall

This item shall consist of the construction of retaining wall up to 18" tall and sidewalk adjacent to wall and shall be constructed per the detail in the plans. Weephole, excavation, and site excavated fill are subsidiary to retaining wall construction. The unit price per square yard of face of wall and surface of sidewalk shall include all labor, equipment, and materials necessary to complete the work.

Bid Item 22 8" PVC SDR 35 Sanitary Sewer Pipe

These items shall include the furnishing and installing of 8" diameter PVC SDR-35 sanitary sewer pipe to the lines and grades as shown on the plans. All materials and construction shall conform to the specifications and the City of Rowlett's Construction Standard Details. The unit price per linear foot shall include all labor, equipment, and materials necessary to complete the work to include bypass pumping, pavement sawcutting, excavation, embedment, backfill, hauling, plugging of existing lines, proper disposal, and any testing necessary. Payment shall not include pavement replacement which shall be paid separately. The linear foot shall be measured horizontally along a straight line as shown in the plans

If necessary, utility trenches in streets shall be repaired with 2-inch thick temporary asphalt riding surface prior to placement of new asphalt or concrete. Temporary asphalt shall be paid for separately under the appropriate pay item.

The price of pre-television of sanitary sewer, if necessary, shall be included in the price of sanitary sewer pipe construction. All new sanitary sewer pipe installed shall be televised after installation in accordance with NASSCO's Pipeline Assessment and Certification Program (PACP). No additional payment shall be allowed for Pre-Construction or Post-Construction Television.

Bid Item 23-24 Sanitary Sewer Service Connections

These items shall include the furnishing, installing, connection to the existing service line, and installing of a service cleanout at the property line, regardless of depth. All sewer services encountered during construction shall be adjusted and/or replaced by the Contractor as required for the connection of the sewer service line. If the sewer service line is in such condition or adjustment necessitates the replacement of the sewer service line, all work shall be performed by a licensed plumber. All sewer services shall be installed at a minimum of one (1) percent slope or as approved by the Engineer. Connection to the existing sewer service line shall be made with appropriate adapter fitting.

Payment for work and materials such as backfill, sanitary sewer service pipe, cleanout, excavation, “tap” to main, pipe fittings, internal inspection, surface restoration on private property (to match existing), encasement, and all other associated work for sanitary sewer service replacements shall be included in the unit bid price for each sanitary sewer service connection installed. No separate pay is allowed for temporary asphalt pavement for sewer services. Any damage to utilities and property, resulting repairs, temporary service costs, etc. shall be borne by Contractor. Repair and/or replacement of fences, sprinkler system piping and other such restoration work resulting from Contractor activities shall be considered subsidiary to the cost of the project and no additional payment will be allowed.

Bid Item 25 Remove Existing Sanitary Sewer Line

This item is for the removal and proper disposal of sanitary sewer line of any sizes at various locations as delineated on the plans. Payment shall be for linear feet of pipe removed to include all labor, equipment, proper disposal, cutting of existing pipe and materials necessary to complete the work. Temporary asphalt paving shall be paid for separately under the appropriate pay item.

Bid Item 26 Connect to Existing Manhole

This item shall include the connection of new sanitary sewer lines to an existing sanitary manhole at the locations shown in the plans. The unit price per each shall include all labor, equipment and materials necessary to complete the work.

Bid Item 27 Remove Existing Manhole

This item consists of removing and disposing existing sanitary sewer manholes of any size at the locations shown on the plans. Measurement and payment shall be per each. Contractor's price for removal and disposal shall include all labor, equipment, hauling, disposal cost, and incidentals necessary to complete the work.

Bid Item 28 Remove Existing End-Of-Line Cleanout

This item consists of removing and disposing existing sanitary sewer cleanouts at the locations shown on the plans. Clean outs that are removed shall be replaced with a 5’ diameter sanitary sewer manhole. Removal of existing clean out casting, concrete and connecting pipe to existing sanitary sewer main. Contractor shall confirm removal of existing sanitary sewer clean out does not affect any sanitary sewer service connections. All sanitary sewer connections shall remain active.

Measurement and payment shall be per each. Contractor's price for removal and disposal shall include all labor, equipment, hauling, disposal cost, and incidentals necessary to complete the work.

Bid Item 29 14" Schedule 20 Steel Pipe Encasement

This item shall consist of installing ASTM A53 14” diameter steel pipe passing through proposed storm manhole, ANSI Schedule 20, by open cut to encase proposed 8” sanitary sewer pipe. Proposed 8” PVC carrier pipe shall be paid separately. This item includes end caps and spacers.

Measurement and Payment shall be per linear foot and shall be total compensation for furnishing all materials, tools,

equipment, labor, and any other incidentals necessary to complete the work.

Bid Item 30 14" PVC SDR 26 Encasement Pipe w/ Spacers & End Seal

This pay item shall consist of the furnishing and installing of 14" diameter PVC SDR-26 encasement pipe by open cut to encase proposed 8" PVC water pipe. The proposed 8" PVC carrier pipe shall be paid separately. This item includes end caps and spacers. Measurement and Payment shall be per linear foot and shall be total compensation for furnishing all materials, tools, equipment, labor, and any other incidentals necessary to complete the work.

Bid Item 31 8" PVC Water Pipe

This item shall consist of the installation of 8" PVC DR-18 water pipe at the various location as indicated in the plans. The unit price per linear foot shall include all labor, equipment and materials necessary to complete the work. Payment does not include pavement replacement, which if required, shall be paid separately.

Bid Item 32 Fire Hydrant Assembly

This item shall include the installation of fire hydrant assembly at various locations as indicated in plan, including companion valve, pipe and connection to the water main. The unit price per each shall include all labor, equipment and materials necessary to complete the work. Payment does not include pavement replacement, which if required, shall be paid separately.

Bid Item 33 Remove & Salvage Existing Fire Hydrant

Removed fire hydrants are to be paid for per each hydrant to include all incidental items required by the specifications, the removal of the companion valve, cap existing service, excavation, backfill, thrust blocking, additional pipe and fitting, as required.

Bid Item 34-35 1" Water Services

These pay items shall consist of the furnishing and installing of up to 1-inch water services as per the NCTCOG Item 502.10 at the locations shown on the plans. No separate pay is allowed for temporary asphalt pavement for water services. The unit price per each water service installed shall include all labor, equipment and materials necessary to complete the work, including boring under pavement, temporary pavement, sawcutting, fittings, pipe, and connection to existing meters.

Bid Item 36 Relocate Existing Water Meter (W/ New Meter Box)

This item shall consist of removing and resetting the existing water meters behind the new curb using couplers as necessary to do so. This item shall includes DFW Plastics Series C 17" x 11" x 14" HDPE and LLDPE Water Meter Box or approved substitute. The unit price per each shall include all labor, material and equipment necessary to complete the work in an acceptable fashion.

Bid Item 37 Remove 6" & 8" Water Lines

This item is for the removal and proper disposal of existing 6" & 8" water line at various locations as delineated on the plans. Payment shall be for linear feet of pipe removed to include all labor, equipment, proper disposal, cutting of existing pipe and materials necessary to complete the work. Temporary asphalt paving shall be paid for separately under the appropriate pay item.

Bid Item 38 Abandon Existing Water

This item shall consist of abandoning the existing water pipe line in place in at various locations as delineated on the plans. This item shall include cutting of existing line and filling with followable fill and sealing both ends with watertight

non-shrink cement group. Payment shall be for linear feet of pipe abandoned to include all labor, equipment, proper disposal, cutting of existing pipe and materials necessary to complete the work.

Bid Item 39-40 Gate Valves

This item shall include the installation of 6" & 8" gate vales at the various location as indicated in the plans. The unit price per each shall include all labor, equipment, and materials necessary to complete the work. Payment does not include pavement replacement, which if required, shall be paid separately.

Bid Item 41 Connect to Existing Water

This item shall include the connection of new water lines to an existing water line with appropriate fitting. The unit price per each shall include all labor, equipment and materials necessary to complete the work. Payment does not include pavement replacement, which if required, shall be paid separately.

Bid Item 42-44 Class III RCP Storm Pipes

This pay item shall consist of the installation of 21", 24" and 36" ASTM C-76 Class III precast reinforced concrete pipe (RCP) storm drain pipe at the locations and to the grades shown on the plans. All storm drain pipe installed for this project shall be rubber gasketed meeting ASTM C-443 Standard Specification. All fittings and bends shall be prefabricated and payment to be included in the price of pipe installation. Work shall be constructed in accordance with the City of Rowlett's Standard Construction Details.

Measurement and Payment shall be per linear foot and shall be total compensation for furnishing all materials, tools, equipment, labor, and any other incidentals necessary to complete the work, including all excavation, embedment and backfill.

Bid Item 45 Storm Drain Manhole Type B

This item consists of the construction of 5'x4' storm drain manholes per detail (SD-8) from City of Rowlett's Standard Construction Details Storm Drainage at the locations and grades shown in the plans. The cost for furnishing and placing reinforcement is subsidiary to the price bid. This pay item shall be constructed in accordance with the City of Rowlett's Standard Construction Details Storm Drainage. Measurement and Payment shall be per each and shall include all labor, equipment and materials necessary to complete the work.

Bid Item 46-47 Curb Inlets

This pay item shall consist of the construction of 10' and 12' standard curb inlets per detail (SD-9) from City of Rowlett's Standard Construction Details at the locations and grades shown in the plans. The cost for furnishing and placing reinforcement is subsidiary to the price bid. This pay item shall be constructed in accordance with the City of Rowlett's Standard Construction Details Storm Drainage. Measurement and Payment shall be per each and shall be total compensation for furnishing all materials, tools, equipment, inlet extensions, grates, labor, and any other incidentals necessary to complete the work.

Bid Item 48 TXDOT PCU Curb Inlet w/ Extensions Both Sides

This pay item shall consist of the construction of combination curb and grate inlets per TxDOT detail Precast Curb Inlet Under Roadway Details at the locations and grades shown in the plans. Precast Base and Extensions shall be subsidiary to inlet. The cost for furnishing and placing reinforcement is subsidiary to the price bid. Measurement and Payment shall be per each and shall be total compensation for furnishing all materials, tools, equipment, inlet extensions, grates, labor, and any other incidentals necessary to complete the work.

Bid Item 49 Connect to Existing Storm Manhole

This item shall consist of the work, labor, equipment, and materials necessary to connect the proposed sanitary sewer line to the existing sanitary sewer manhole in accordance with the construction plans. Adjustment of the manhole to final grade shall be paid for under this pay item. This item includes modifications to grouted flow lines to facilitate the connection. Measurement for payment shall be on a per each basis.

Bid Item 50 Remove Existing Storm Inlet

This item shall consist of the removal and proper disposal of existing inlets at various locations as delineated on the plans. The unit price per each shall include all labor, equipment and materials necessary to complete the work. Payment does not include pavement replacement, which if required, shall be paid separately.

Bid Item 51 Remove Existing Storm Pipe (All Sizes)

This item shall consist of the removing and disposing of existing storm lines as indicated in the plans. The unit price per linear feet shall include all labor, equipment and materials necessary to complete the work.

Bid Item 52 Remove Existing Illumination Foundations

This item is for removing and legally disposing off-site all existing illumination foundations as delineated by the plans. Measurement and payment shall be for each foundation removed regardless of depth and material of foundation. Contractor's price for removal and legal disposal off-site shall include all labor, equipment, hauling, disposal cost, and incidentals necessary to complete the work.

Bid Item 53 2in HDPE Illumination Conduit (Including Tie in Existing Pull Box)

This item shall consist of the installation of 2" HDPE illumination conduit at the various location as indicated in the plans. The unit price per linear foot shall include all labor, equipment and materials necessary to complete the work. Where applicable, the Contractor shall provide the connection of the illumination conduit to the existing pull box. Connection shall not be paid separately.

Bid Item 54 Pull Box

This item shall consist of furnishing and installing 12"X12"X12" PC style stackable concrete pull box. Payment shall be for each pull box installed and shall include all labor, storage, equipment, excavation, and materials necessary to complete the work.

Bid Item 55-56 Remove Trees

These items shall consist of the removal of trees as required to complete the Project. The Contractor shall remove trees only at the direction of the City after consultation with the owner of the property on which the tree to be removed is located. Removal includes removing the subsurface root system. The resulting excavated hole shall be backfilled with suitable material and compacted. Measurement and payment shall be for each tree completely removed. Payment for turf restoration shall be paid for separately if required.

Only trees 10 inches in diameter or greater when measured 3 feet above the natural ground will be paid for under these bid items. There shall be no separate payment for all other tree removals, including bushes, hedgerows, or tree stumps. The contractor should confirm the removal of all trees with the City. Trees should be removed in a manner that will not damage surrounding trees, buildings, utilities, fences, pools, pool equipment, and other facilities. Measurement of this bid item will be per each tree removed that is 10 inches or greater in diameter. Payment will be full compensation for all labor, materials, equipment, haul & disposal, and incidentals required to remove the trees. The payment per tree removed shall include all repair costs and yard restoration incurred by the Contractor due to damage caused by the removal process.

Bid Item 57 Tree Replacement (3")

This item shall consist of the furnishing and planting of trees to replace those trees that are required to be removed to complete the project. Replacement trees shall be 3 inches caliper of trunk measured 6 inches above grade level. The type of tree shall be the same type of tree (assume Live Oak or similar) as the removed tree unless the owner of the property on which the tree is to be planted requests a different type of tree and the request is approved by the Owner's Project Representative. The location for the tree shall be agreed to by the property owner and the Owner's Project Representative. Replacement trees shall be nursery grown, well formed, balled and burlapped trees with natural balls of earth of sufficient diameter and depth to encompass the fibrous and feeding root system necessary for full recovery of the tree. Planting shall be in accordance with accepted landscaping practices.

The Contractor shall maintain the replacement tree for a three (3) month establishment period following planting. Trees which do not, in the judgment of the Owner's Project Representative, become established during the establishment period shall be replaced at the Contractor's cost. Measurement and payment shall be by each tree planted complete in place and accepted.

Bid Item 58 Furnish & Place Sodding within Construction Limits

This item shall consist of the furnishing and installing block sodding and 4" of top soil in all areas disturbed by construction in accordance with the applicable provisions of NCTCOG Item 202.5, Sodding. This item shall include full compensation for furnishing and handling sod, fertilizing; excavating including yard grading to provide a smooth transition from the sidewalk to the yards; tilling; stripping, hauling, and watering; and for all other work incidental to solid sodding operations. The new placed sodding should match the existing condition.

This item is paid on a unit price basis for each square yard of block sodding installed, as measured in place. Contractor's unit price shall be full compensation for all materials, tools and labor required to complete the work as specified.

Bid Item 59 Remove & Reset Brick Mailbox

This item shall consist of removing and resetting brick or stone mailboxes. Reset mailbox shall be equal to or better than original condition. Temporary mailboxes required due to removal of brick mailbox shall be subsidiary to this pay item. Payment shall be for each mailbox removed and reset and shall include all labor, storage, equipment, excavation, and materials necessary to complete the work.

Bid Item 60 Remove & Reset Standard Mailbox

This item shall consist of removing and resetting mailboxes. Temporary mailboxes required due to removal of mailbox shall be subsidiary to this pay item. Payment shall be for each mailbox removed and reset and shall include all labor, storage, equipment, excavation, and materials necessary to complete the work.

Bid Item I.1 5' Sanitary Sewer Concrete Manhole (All Depths)

This item shall consist of the work, labor and materials necessary for installing fully functional 5' diameter sanitary sewer manholes per detail (SD-15) from City of Rowlett's Standard Construction Details at the locations and elevations shown on the plans. This item includes all the labor necessary to construct the sanitary sewer manhole in accordance with the plans. Where applicable, the Contractor shall provide the connection of the sewer line (existing and proposed) to the manhole. This item includes any required bypass pumping. Contractor to coordinate bypass operation with the City during an off-peak time. Adjustment of the manhole to final grade shall be paid for under this pay item. Measurement for payment shall be on a per each basis for all depths. The Contractor shall provide testing, excavation, backfill, compaction, and grouting interior to smooth finish, and grouted flow lines.

This item includes lining with minimum 125 mil thickness Spraywall or Structure Guard or approved substitute.

Bid Item I.2 5' Sanitary Sewer Concrete Manhole With Eccentric Cone (All Depths)

This item shall consist of the work, labor and materials necessary for installing fully functional 5' diameter sanitary sewer manholes with eccentric cone per detail (SD-15) from City of Rowlett's Standard Construction Details at the locations and elevations shown on the plans. This item includes all the labor necessary to construct the sanitary sewer manhole in accordance with the plans. Where applicable, the Contractor shall provide the connection of the sewer line (existing and proposed) to the manhole. This item includes any required bypass pumping. Contractor to coordinate bypass operation with the City during an off-peak time. Adjustment of the manhole to final grade shall be paid for under this pay item. Measurement for payment shall be on a per each basis for all depths. The Contractor shall provide testing, excavation, backfill, compaction, and grouting interior to smooth finish, and grouted flow lines. This item includes lining with minimum 125 mil thickness Spraywall or Structure Guard or approved substitute.

Bid Item II.1 5' Sanitary Sewer Polymer Concrete Manhole (All Depths) (Armorock or approved substitute)

This item shall consist of the work, labor and materials necessary for installing fully functional 5' diameter sanitary sewer polymer concrete manholes at the locations and elevations shown on the plans. This item includes all the labor necessary to construct the sanitary sewer manhole in accordance with the plans. Where applicable, the Contractor shall provide the connection of the sewer line (existing and proposed) to the manhole. This item includes any required bypass pumping. Contractor to coordinate bypass operation with the City during an off-peak time. Adjustment of the manhole to final grade shall be paid for under this pay item. Measurement for payment shall be on a per each basis for all depths. The Contractor shall provide testing, excavation, backfill, compaction, and grouting interior to smooth finish, and grouted flow lines.

SECTION 14 TECHNICAL SPECIFICATIONS

POLYMER CONCRETE MANHOLES

PART 1 GENERAL

1.01 SCOPE

This specification covers polymer concrete manholes intended for use in sanitary sewers, storm sewers and water lines where corrosion resistance is required

1.02 REFERENCES

ASTM C 478 (most current) Standard Specification for Precast Reinforced Concrete Manhole Sections

ASTM C 579 (most current) Standard Test Methods for Compressive Strength of Chemical-Resistant Mortars, Grouts, Monolithic, Surfacing, and Polymer Concretes

ASTM C 443 (most current) Standard Specification for Joints for Concrete Pipe and Manholes Using Rubber Gaskets

ASTM C 580 (most current) Standard Test Method for Flexural Strength and Modulus of Elasticity of Chemical-Resistant Mortars, Grouts, Monolithic Surfacings, and Polymer Concretes

ASTM C 857 (most current) Standard Practice for Minimum Structural Design Loading for Underground Utility Structures

ACI 350-06 Code Requirements for Environmental Engineering Concrete Structures & Commentary

ACI 440.1R-15 Guide for the Design and Construction of Structural Concrete Reinforced with Fiber-Reinforced Polymer (FRP) Bars

ACI 548.6R-96 Polymer Concrete-Structural Applications State-of-the-Art Report

ASTM D 648 (most current) Test Method for Deflection Temperature of Plastics Under Flexural Load in Edgewise Position

ASTM D 6783 (most current) Standard Specification for Polymer Concrete Pipe

ASTM D 2584 (most current) Test Method for Ignition Loss of Cured Reinforced Resins

ASTM C 923 (most current) Standard Specifications for Resilient Connectors

between Concrete Manholes Structures and Pipe

ASTM C 990 (most current) Standard Specification for Joints for Concrete Pipe, Manholes and Precast Box Sections using Preformed Flexible Joint Sealants

ASTM C 497 (most current) Test Methods for Concrete Pipe, Manhole Sections, or Tile

California Greenbook Standard Specifications for Public Works Construction Section 211-2

1.03 SUBMITTALS

A. Conform to bid document requirements

B. Submit manufacturer's data and details of following items for approval:

1. Shop drawings of manhole sections, base units and construction details, jointing methods, materials, and dimensions

2. Summary of criteria used in manhole design including, as minimum, material properties, loading criteria, and dimensions assumed. Include certification from manufacturer that polymer concrete manhole design meets or exceeds the load and strength requirements of ASTM C 478 and ASTM C 857, reinforced in accordance with ACI 440.1R-15. Include current ISO 9001:2018 certification

3. Frames, grates, rings, and covers

4. Materials to be used in fabricating pipe drop connections

5. Materials to be used for pipe connections

6. Materials to be used for stubs and stub plugs, if required

7. Proof of independent Chemical Resistance testing conducted in accordance with the Standard Specifications for Public Works Construction (California Greenbook) Section 211-2

C. Submitted sealed drawings by a registered Professional Engineer in state of construction

PART 2 PRODUCTS

2.01 POLYMER CONCRETE MANHOLES

A. Provide polymer concrete manhole sections, monolithic base sections and related components referencing to ASTM C 478. ASTM C 478 material and manufacturing is

allowed compositional and dimensional differences required by a polymer concrete product

B. Provide base riser section with monolithic floors, unless shown otherwise

C. Provide riser sections joined with bell and spigot / ship-lap design seamed with butyl mastic and/or rubber gaskets (ASTM C 990) so that on assembly, manhole base, riser and top section make a continuous and uniform manhole structure

D. Construct riser sections for polymer concrete manholes from standard polymer concrete manhole sections of the diameter indicated on drawings. Use various lengths of polymer concrete manhole sections in combination to provide correct height with the fewest joints

E. Design wall sections for depth and loading conditions with wall thickness as designed by polymer concrete manufacturer

F. Provide tops to support AASHTO HS-20 or HL-93 or vehicle loading or loads as required and receiving cast iron frame covers or hatches, as indicated on drawings

2.01-1 DESIGN CRITERIA:

Polymer Concrete Manhole risers, cones, flat lids, grade rings and manhole base sections shall be designed by manufacturer to meet the intent of ASTM C 478 with allowable compositional and sizing differences as designed by the polymer concrete manufacturer.

1. AASHTO HS-20 or HL-93 design or as required loading applied to manhole cover and transition and base slabs

2. Polymer manholes will be designed based upon live and dead load criteria in ASTM C 857 and ACI 350-06

3. Unit soil weight of 120 pcf located above portions of manhole, including base slab projections

4. Internal liquid pressure based on unit weight of 63 pcf

5. Dead load of manhole sections fully supported by polymer concrete manhole base

2.01-2 DESIGN:

Polymer Concrete Manhole risers, cones, flat lids, grade rings and manhole base sections shall be designed by manufacturer to meet loading requirements of ASTM

C 478, ASTM C 857 and ACI 350-06 as modified for polymer concrete manhole design as follows:

1. Polymer Concrete Mix Design shall consist of thermosetting resin, sand, and aggregate. No Portland cement shall be allowed as part of the mixdesign matrix. All sand and aggregate shall be inert in an acidic environment

2. Reinforcement – Shall use acid resistant reinforcement (FRP Bar) in accordance with ACI 440.1R-06 as applicable for polymer concrete design

3. The wall thickness of polymer concrete structures shall not be less than that prescribed by the manufacturer's design by less than 95% of stated design thickness

4. Each polymer concrete manhole component shall be free of all defects, including indentations, cracks, and foreign inclusions that, due to their nature and degree or extent, detrimentally affect the strength and serviceability of the component part. Cosmetic defect shall not be cause for rejection. The nominal internal diameter of manhole components shall not vary more than 2%.

5. Marking and Identification - Each manhole shall be marked with the following information - Manufacturer's name or trademark, Manufacturer's location and Production Date

6. Manhole joints shall be assembled with a bell/spigot or shiplap butyl mastic and/or gasketed joint so that on assembly, manhole base, riser and top section make a continuous and uniform manhole. Joint sealing surfaces shall be free of dents, gouges and other surface irregularities that would affect joint integrity

7. Minimum clearance between wall penetrations and joints shall be per manufacturer's design

8. Construct invert channels to provide smooth flow transition with minimal disruption of flow at pipe-manhole connections. Invert slope through manhole is as indicated on drawings. All precast base sections to be cast monolithically. Polymer bench and channel are to be constructed with all polymer concrete material, monolithically. Extended ballast slab requirements for buoyancy concerns can be addressed with cementitious concrete material

9. Provide resilient connectors conforming to requirements of ASTM C 923 or other options as avaliable. All connectors are to be water tight.

Install approved resilient connectors at each pipe entering and exiting manholes in accordance with manufacturer's instructions

2.01-3 QUALITY CONTROL

Facility Quality Control should be maintained by adhearing to ISO 9001:2018 for manufacturing. All fabricators will be ISO 9001:2018 Certifiied and provide documentation of current certification. All manufacturing will take place in an all polymer concrete facility. At no time will the polymer concrete manufacturing facility share the facility with a cementitious precast product production facility. Fabricator is also to provide references of 5 previous projects in the last 5 years performed with both owner and contractor for reference and review by owner. Polymer concrete shall be cast in a polymer only facility and shall not be manufactured in a cementitious concrete facility

2.01-4 GROUTING

All materials needed for grouting and patching will be a polyester mortar compound provided by the manufacturer or an approved equal by the manufacturer

2.01-5 MANUFACTURER

1. **Armorock Polymer Concrete, www.armorock.com 702-824-9702**

City of Rowlett Purchasing Office
Addendum No. 1
Issued June 4, 2026

Bid No: **2026-43-B**
Bid Title: **Country Aire Estates Phase 2 Reconstruction**
Bids Due: **6/16/2026 @ 2:00 P.M.**

Addendum #1 is issued by the City of Rowlett Purchasing Office. Please see the following for changes/additions/deletions or questions regarding the bid:

Questions

Below is a list of questions received by the questions deadline with corresponding answers.

Q1. Who pays for the material testing?

A1. City will hire a lab to conduct all the materials testing. All initial tests will be paid by the City. Any required re-tests will be paid by the Contractor. Please refer to General notes for more information about testing.

Q2. Will parking restrictions be imposed on residents while the project is in progress?

A2. Yes

Q3. Can we use slip form paving?

A3. Yes

Q4. Will any franchise utilities have to be relocated?

A4. All relocations have been completed.

Q5. Is hammer or breaker allowed?

A5. No hammer or breaker allowed. Must sawcut concrete and remove because of the project location.

Q6. What is the estimated project cost?

A6. The estimated cost for the base bid $3,765,550.

Q7. Will the City consider adding an allowance for any sprinkler repairs? It would benefit the City to provide an allowance so everyone is bidding the same thing.

A7. Sprinkler adjustments, relocations, and repairs shall be considered subsidiary items, and no separate allowance will be provided. Any relocation (if needed), adjustment, or repair of existing sprinkler

systems required as a result of construction activities shall be the Contractor's responsibility. The Contractor shall test and video-document all existing sprinkler systems prior to construction to establish pre-construction conditions.

Q8. How many calendar/working days are allocated for this project? Are there any weather days provided?

A8. The successful bidder will begin construction within 10 calendar days after the issuance of the Notice to Proceed. Substantial completion of the work will be achieved within 270 calendar days of the date indicated on the Notice to Proceed and final completion will be achieved within 30 calendar days after substantial completion. The time for performance set forth in the contract documents contemplates normal bad weather days and typical construction delays. Extensions in the time for performance may be given or allowed for if and only if the extension is approved by the City and the approval is evidenced by a written and signed Change Order.

Q9. Is this project turnkey or may we bid on just the wet utility portion?

A9. This is a turnkey project. The City encourages you to view the pre-bid conference attendees list posted on the City's website for any GC's that were in attendance. The link to the website page is https://www.rowletttx.gov/1438/Public-Openings-Tabulations-Pre-Bid-Conf.

For vendors who have already submitted a response and feel this addendum may change their response, you may pick-up your submission and return it prior to June 16, 2026, by 2:00 P.M. If picking up the submission is not feasible, any new response submitted by your firm will supersede one previously submitted.

Acknowledge receipt of this addendum in the appropriate space of the Bid Certification Form if you have not previously submitted a response.

For questions regarding this addendum contact:

January M. Calhoun, CPPO, CPPB
Purchasing Manager
(972) 412-6189
jcalhoun@rowlett.com

CITY OF ROWLETT

BID TABULATION SUMMARY

Solicitation No.	**2026-43-B**
Solicitation Title	**Country Aire Estates Phase 2 Reconstruction**
Solicitation Due Date:	6/16/2026 at 2:00pm

Responding Contractor	Total Base Bid	Add Alternate 1	Add Alternate 2
DDM Construction Corporation	$ 2,398,675.00	$ 57,000.00	$127,750.00
Jeske Construction Company	$ 2,604,266.00	$ 92,040.00	$105,560.00
KIK Underground, LLC	$ 2,709,308.50	$ 66,864.00	$174,335.00
Estrada Concrete Company, LLC	$ 2,718,280.00	$ 72,500.00	$98,000.00
Garret Shields Infrastructure, LLC	$ 2,827,150.00	$ 55,000.00	$56,000.00
Tiseo Paving Company, LLC	$ 2,830,785.00	$ 91,500.00	$336,980.00
McMahon Contracting, LP	$ 2,890,008.86	$ 75,125.42	$197,455.72
Axis Contracting, Inc.	$ 3,032,946.00	$ 81,900.00	$231,147.00
A&D Paving, LLC	$ 3,045,907.00	$ 96,875.00	$343,875.00

All responses submitted for the designated project are reflected on this tabulation sheet. However, the listing of a response on this tabulation sheet shall not be construed as a comment on the responsiveness or as any indication that the City of Rowlett accepts such submission as being responsive. The City of Rowlett will make a determination as to the responsiveness of the vendor submission based upon compliance with all applicable laws, purchasing guidelines and project documents, including but not limited to the project specifications and contract documents. Upon award of the contract, in accordance with the law, all responses received will be available for inspection at that time.

Certified by: January Calhoun, CPPO, CPPB, Purchasing Manager

Date: June 16, 2026

City of Rowlett
City Council Agenda Item

Meeting Date: 7/21/2026 **Agenda Item:** 4.E.

Title
Consider action to authorize Change Order No. 1 to the Construction Contract for Country Aire Estates Phase 2 Reconstruction.

Consider action to adopt a resolution authorizing Change Order No. 1 to the Construction Contract with DDM Construction Corporation related to Bid No. 2026-43-B Country Aire Estates Phase 2 Reconstruction, in an amount not to exceed $165,000.00 ($150,000.00 plus a ten percent (10%) contingency of $15,000); authorizing the Mayor or his designee to execute the Change Order and all necessary documents to effectuate said purchase; and providing an effective date.

Staff Representative
Bryan Manderscheid, Civil Engineer
Deepa Modi, Asst. Director of PW/City Engineer

Executive Summary
Consider action to adopt a resolution authorizing Change Order No. 1 to the Construction Contract with DDM Construction Corporation related to Bid No. 2026-43-B Country Aire Estates Phase 2 Reconstruction, in an amount not to exceed $165,000.00 ($150,000.00 plus a ten percent (10%) contingency of $15,000); authorizing the Mayor or his designee to execute the change order and all necessary and related documents; and providing an effective date.

Strategic Priority and Goal(s)

INVEST IN TRANSPORTATION & INFRASTRUCTURE

6.2 Upgrade residential streets, alleys, drainage ways, and utility systems.

6.7 Provide a high-quality water supply and distribution system.

6.8 Provide a high-quality wastewater collection system.

Background Information
To procure construction services for the Country Aire Estates Phase 2 Reconstruction project, the City conducted a competitive, publicly advertised bidding process in accordance with state and local procurement requirements. A discrepancy occurred

between the quantity on the Bid Form in the published Contract Documents and Specifications and the quantity entered into the eProcurement system for line-item No. 9, 8" Flex Base. The Bid Form reflected the correct required quantity of 8700 square yards, while the eProcurement system reflected an incorrect quantity of 2700 square yards. During the bid opening, the bid totals tabulated by the eProcurement system were read aloud for public bid opening. The contract was awarded based on the eProcurement quantity.

Discussion

To address the discrepancy in line item quantity, Change Order 1 has been prepared. Change Order 1 adds 6000 square yards of 8" flex base to the contract quantity at the same unit price as awarded. This will result in revising the awarded contract amount of 8700 square yards of 8" flex base which aligns with the construction plans. Per City Ordinance No. ORD-025-24, SECTION 1: (b) “The City Manager shall have authority relative to contracts for public improvements and contracts subject to the competitive sealed bidding/proposal requirements of Chapter 252 of the Texas Local Government Code, as amended, to approve and execute change orders involving an increase or decrease in the amount of $50,000 or less, provided that said change order does not increase the contract by more than 25 percent, or decrease the contract by more than 25 percent without the consent of the contractor.” This change order exceeds the authority granted to the City Manager to approve and execute change orders; therefore, this Change Order No. 1 requires City Council approval.

Financial/Budget Implications

Project Code or Budget Account Number	Account or Project Title	Available Budget	Proposed Amount	Remaining Balance
ST2162	Country Aire Estates Ph 2	$952,461.50	$165,000.00	$787,461.50
CO2114	Country Aire (ST2162) W&S Component	$295,155.00	$0.00	$295,155.00

Change Order 1 for the contract award for Bid No. 2026-43-B, Country Aire Estates Phase 2 Reconstruction project to DDM Construction Corporation, for an amount not to exceed $165,000 ($150,000.00 plus a ten percent (10%) contingency of $15,000.00).

Recommended Action

Move to adopt a resolution authorizing Change Order No. 1 to the Construction Contract with DDM Construction Corporation for Bid No. 2026-43-B Country Aire Estates Phase 2 Reconstruction, for an amount not to exceed $165,000.00 ($150,000.00 plus a ten percent (10%) contingency of $15,000); authorize the Mayor or his designee to execute the Change Order and all necessary documents to effectuate said purchase; and provide an effective date.

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ROWLETT, TEXAS, APPROVING CHANGE ORDER NO. 1 TO THE CONSTRUCTION CONTRACT WITH DDM CONSTRUCTION CORPORATION FOR THE COUNTRY AIRE ESTATES PHASE 2 RECONSTRUCTION PROJECT IN AN AMOUNT NOT TO EXCEED $165,000 ($150,000 PLUS A TEN PERCENT CONTINGENCY OF $15,000); AUTHORIZING THE INTERIM CITY MANAGER TO EXECUTE CHANGE ORDER NO. 1 AND ANY NECESSARY AND RELATED DOCUMENTS; AND PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, the City has previously awarded the contract for Request for Bid No. 2026-43-B ("Bid No. 2026-43-B") to DDC Construction Corporation; and

WHEREAS, to address a discrepancy in the line item quantity for line item No. 9, 8" flex base, as noted in the Bid Form in the published Contract Documents and Specifications and in the quantity entered in the eProcurement system, Change Order No. 1 is necessary to add 6,000 square yards of 8" flex base to the contract quantity at the same unit price as awarded; and

WHEREAS, the City Council of the City of Rowlett, Texas finds it to serve the health, safety and general welfare of the citizens and to be in the best interest of the City and its citizens to approve Change Order No. 1 in an amount not to exceed $165,000.00;

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

SECTION 1: Change Order No. 1 to the City's contract with DDM Construction Corporation for the Country Aire Estates Phase 2 Reconstruction Project, in a total amount not to exceed $165,000.00 ($150,000.00 plus a ten percent contingency of $15,000.00), in substantially the form of that attached hereto and incorporated herein by this reference as **Exhibit "A"** is hereby approved.

SECTION 2: The interim City Manager is hereby authorized to execute Change Order No. 1 in substantially the form of Exhibit "A" on behalf of the City, along with all other necessary and related documents.

SECTION 3: This resolution shall become effective immediately upon its passage.

Attachments

1. Exhibit A - Change Order No. 1

CHANGE ORDER

PROJECT NAME: Country Aire Estates Phase 2 Reconstruction
BID NO. 2026-43-B
CIP PROJECT NO: ST2162-A
OWNER: City of Rowlett
CONTRACTOR: DDM Construction Corporation
CHANGE ORDER NO: 1

Make the following additions, modifications or deletions to the work described in the Contract Documents:

Item	Description	Quantity	Units	Unit Cost		Total Cost
9	8" Flex Base	6,000	SY	$25.00		$150,000.00
				Total Change Order:		$150,000.00

The compensation agreed upon in this Change Order is full, complete and final payment for all costs the Contractor may incur as a result of or relating to this change whether said costs are known, unknown, foreseen or unforseen at this time, including without limitation, any cost for delay, extended overhead, ripple or impact cost, or any other effect on changed or unchanged work as a result of this Change Order.

Original Contract Amount	$	2,562,425.00
Previously Approved Change Order Amount	$	-
Adjusted Contract Amount	$	2,562,425.00
Proposed Change Order Amount	$	150,000.00
Revised Contract Amount	$	2,712,425.00
Previous Contract Time		270
Previous Substantial Completion Date		
Previous Final Completion Date		
Net Change in Contract Time		0
Revised Contract Time		270
Revised Substantial Completion Date		
Revised Final Completion Date		

Approved by Engineer:

By: _____
Gary Enna, Interim Public Works Director Date

Approved by Contractor:

By: _____
Zach Markwardt, President Date

Approved by City of Rowlett:

By: _____
Kristoff Bauer, Interim City Manager Date

City of Rowlett
City Council Agenda Item

Meeting Date: 7/21/2026 **Agenda Item:** 4.F.

Title

Consider action to authorize the use of eminent domain on two properties for the acquisition of Right of Way (ROW) and Easements for the Chiesa Road Widening (Dalrock Road to Miller Road) Project.

Consider action to adopt a resolution authorizing initiation of condemnation proceedings for the acquisition of Right-of-Way (ROW) and Easements on properties along the Chiesa Road Widening Project in the City of Rowlett, Dallas County, Texas.

Staff Representative

Gary Enna, Interim Director of PW/City Engineering
Lynnette Lawyer, Sr. CIP Manager

Executive Summary

The purpose of this item is to consider action to adopt a resolution authorizing the use of eminent domain proceedings to acquire Right of Way (ROW) for the Chiesa Road Widening (Dalrock Road to Miller Road) project.

Strategic Priority and Goal(s)

Strategic Priority	Strategic Goal
Invest in Transportation & Infrastructure	6.1 Systematically manage the Capital Improvement Program. 6.2 Upgrade residential streets, alleys, drainage ways, and utility systems. 6.3 Develop an interconnected network of paths, trails, and streets. 6.4 Improve traffic flow across all transportation modes. 6.5 Collaborate with DART and other transportation partners to enhance regional connectivity. 6.6 Apply long-term transportation planning approaches. 6.7 Provide a high-quality water supply and distribution system. 6.8 Provide a high-quality wastewater collection system.

Background Information

Voters approved a paving and drainage bond proposition in May 2018 that included $12.5 million for widening Chiesa Road between Miller Road and Dalrock Road, which is programmed in the City's 5-year Capital Improvement Plan (CIP). In addition, the Dallas County Major Capital Improvement Program (MCIP) has offered to contribute (disbursed only after construction is substantially complete) $2.5 million towards completing this project.

At the May 21, 2019, meeting, the City Council approved a resolution approving Task Authorization #FY19HZ02 to the approved professional services agreement with Huitt-Zollars, Inc. in the amount of $891,160 to provide engineering services for the design of the Chiesa Road Widening (Dalrock to Miller) project.

On October 6, 2020, Council provided direction for the design of a four-lane divided roadway with sidewalks and shared use paths to be constructed within a 90-foot ROW.

At the June 7, 2022, council work session, Council directed staff to move forward with acquiring the entire ROW needed for the widening project from properties along the northern side of the roadway, thereby minimizing the number of properties impacted by the ROW acquisition efforts.

On September 20, 2022, City Council approved Task Authorization No. FY22PTG04, awarding Prime Time Group Inc. (PTG - currently doing business as Blackland Consulting Services, Inc.) a contract in the amount of $92,000 for ROW and property acquisition services for the Chiesa Road Widening (Dalrock to Miller) project. A supplemental task authorization in the amount of $44,100 was executed by the City Manager on May 18, 2023, for the acquisition of corner clips.

As design has progressed, 27 parcels have been identified as necessary to accommodate the proposed footprint of the roadway, its sidewalks, and shared-use paths. Additionally, an easement within the DART/DGNO railroad ROW was identified as necessary. An agreement with DART is progressing separately from the ROW acquisition process.

As of April 1, 2025, the city has successfully acquired 19 out of the 27 affected parcels. Currently, the city owns one of the eight parcels. The acquisition of one of the remaining seven parcels has been deemed unnecessary, resulting in the cancellation of that acquisition process. There are still six properties remaining: negotiations are ongoing for four of these parcels, while negotiations for the other two have been unsuccessful.

The two parcels for which negotiation attempts have not been successful are as follows (Exhibit A - Location Maps):

- Parcel 2: Kirby Miller, located at 2801 Chiesa Road
- Parcel 5: Nor-Tex Enterprises, Inc., located at the intersection of Miller and

Chiesa Roads

As detailed in the discussion below, all attempts to negotiate voluntary sale of the two above mentioned easements with the property owners have been unsuccessful.

Discussion

Parcel 2 Kirby Miller Joint Venture, 2801 Chiesa Road

On April 19, 2023, Blackland Consulting Services, Inc., the ROW consultant, researched the property ownership, phone numbers and mailing addresses. On April 20, 2023, an introduction letter was sent to the property owners describing the project, the reason for the easements, and requesting the property owner to call the ROW consultant. An appraisal was ordered on March 19, 2024, and was received on April 29, 2024. An initial offer letter based on the appraised values was drafted and sent to the property owner on June 5, 2024, via certified mail and email. The Initial Offer Letter that was sent via certified mail was refused by the grantor on June 6, 2024. The Final Offer Letter was sent on July 26, 2024, via certified mail and email. The final offer letter that was sent via certified mail was returned as undeliverable on August 27, 2024. On July 8, 2026, the City received an updated appraisal of the property for $42,770.

According to the Secretary of State, there is no registry listing for Kirby Miller Joint Venture (JV). However, the ROW agent located and spoke to Mr. Chris Garoosi, the registered agent for MBI Commercial Realty. He confirmed that he represents Kirby Miller JV. All the necessary documents for the attempted ROW acquisition were sent to Mr. Garoosi via certified mail, regular mail, and email. However, Mr. Garoosi has been unresponsive.

Parcel 5 Nor-Tex Enterprises Inc, Intersection of Miller and Chiesa Roads

An appraisal was ordered on March 19, 2024, and was received on April 29, 2024. The title commitment was received from Fidelity National Title on May 31, 2024, and sent to the City for review. On June 3, 2024, Blackland Consulting Services, Inc., the ROW consultant researched and verified with the Secretary of State NOR-TEX Enterprises, Inc., is inactive due to unpaid franchise tax # 175261888. A previous address was provided by the Secretary of State. An introduction letter was sent to the property owner describing the project, reason for the easements, and requesting the property owner to call the ROW consultant. The Initial Offer Letter based on the appraised values was drafted and sent to the property owner on June 3, 2024, and re-sent on July 3, 2024, via certified mail. The Initial Offer Letter that was re-sent via certified mail was received by the grantor on July 5, 2024. The Final Offer Letter was sent via certified mail on September 4, 2024, and received by the grantor on September 7, 2024.

According to the Secretary of State, this company no longer exists. Public records indicate that the registered agent, William Flannery III, has passed away. This information was confirmed by his daughter, Karley Stovall, who also mentioned that she

had no knowledge of the corporation. Additionally, all required documents for the attempted ROW acquisition were sent to Mr. Flannery's last known address.

Furthermore, the Dallas County Appraisal District does not list a property owner or tax account for this property.

As a prerequisite to filing eminent domain proceedings, the City is required to comply strictly with all statutory requirements that include:

- The transmission of an initial offer that includes a copy of a certified appraisal, the Landowner Bill of Rights, and proposed easement deeds.
- Negotiation with the property owner to seek a voluntary conveyance of the subject property.
- The transmission of a final offer in an amount that is at least equivalent to the fair market value shown in the certified appraisal; and
- A resolution to proceed with Eminent Domain proceedings must be adopted by the City Council.

All required documents and information listed above were sent to the property owner by the ROW consultant, Linda Latham (Attachments 1). Since all attempts to negotiate a price for a voluntary transfer of the property have failed, the City Staff has concluded that there is no other alternative except to move forward with filing a condemnation suit and moving forward with eminent domain proceedings.

Staff is seeking Council authorization for the use of eminent domain proceedings to acquire ROW for the Chiesa Road Widening (Dalrock Road to Miller Road) project.

Financial/Budget Implications

Funds to purchase the ROW easement are available in the ST2134 Chiesa Road Reconstruction: From Miller Road to Dalrock Rd Project, if needed; the current available amount is $10,296,061.87. The acquisition costs for the 2 Parcels are as follows:

- $42,770.00 for Parcel #2
- $9,926.00 for Parcel #5

Project Code or Budget Account Number	Account or Project Title	Available Budget	Proposed Amount	Remaining Balance
ST2134 BONDGOVT	3218002-6704	$10,296,061	$52,696	$10,243,365

ROW OTHER

Recommended Action

Move to adopt a resolution to move forward with eminent domain proceedings for the acquisition of ROW and Easements on 2 properties along the Chiesa Road Widening Project in the City of Rowlett, Dallas County, Texas.

See attached resolution and its Exhibits A and B.

Attachments

1. Resolution - Authorizing Eminent Domain (Parcels 2 and 5 Chiesa Road) v.2
2. Exhibit A to Resolution
3. Exhibit B to Resolution
4. Attachment 1 - Location Maps

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ROWLETT, TEXAS DECLARING A PUBLIC NECESSITY EXISTS AND FINDING A PUBLIC USE AND PURPOSE FOR THE EXERCISE OF THE POWER OF EMINENT DOMAIN AND THE INITIATION OF CONDEMNATION PROCEEDINGS FOR THE TAKING AND ACQUIRING OF TWO (2) TRACTS OF PROPERTY, TO WIT: A 0.0701 ACRE TRACT OF LAND SITUATED IN THE CHARLES D. MERRELL SURVEY, ABSTRACT NO. 957, DALLAS COUNTY, TEXAS, COMMONLY KNOWN AS 2801 CHIESA ROAD ("PARCEL 2") AND A 0.1139 ACRE TRACT OF LAND SITUATED IN THE CHARLES D. MERRELL SURVEY, ABSTRACT NO. 957, DALLAS COUNTY, TEXAS, ("PARCEL 5"), FOR CONSTRUCTION OF IMPROVEMENTS FOR THE CHIESA ROAD WIDENING PROJECT FOR THE EXPANSION AND WIDENING OF CHIESA ROAD, A PUBLIC RODWAY; AUTHORIZING APPROPRIATION OF THE REAL PROPERTY AND/OR THE USE OF THE POWER OF EMINENT DOMAIN TO ACQUIRE THE REAL PROPERTY FOR PUBLIC USE; DELEGATING AUTHORITY TO INITIATE CONDEMNATION PROCEEDINGS TO THE CITY ATTORNEY AND CITY MANAGER; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, it is hereby determined that there is a public necessity and that a public use and purpose for the welfare and convenience of the residents requires the acquisition of title to property interests in the City for the public purpose of reconstructing and widening a public right of way along Chiesa Road between Miller Road and Dalrock Road for the completion of the Chiesa Road Widening Project ("Project"); and

WHEREAS, the City is authorized to acquire interests in real property by consent or exercise of the power of eminent domain on two (2) tracts of property, to wit: a 0.0701 acre tract of land situated in the Charles D. Merrell Survey, Abstract No. 957, Dallas County, Texas, commonly known as 2801 Chiesa Road, more fully described and depicted in Exhibit "A" attached hereto and incorporated herein for all purposes ("Parcel 2") and a 0.1139 acre tract of land situated in the Charles D. Merrell Survey, Abstract No. 957, Dallas County, Texas, more fully described and depicted in Exhibit "B" attached hereto and incorporated herein for all purposes ("Parcel 5") (Parcel 2 and Parcel 5 are collectively hereinafter referred to as the "Property"); and

WHEREAS, the City Council of the City of Rowlett finds it to be in the public interest and to benefit the health, safety and welfare of its residents to acquire the necessary interests in the said Property by use of eminent domain under the Texas Constitution and Texas Property Code; and

WHEREAS, the acquisition of certain property interests in the Property, being a public right of way, each being more particularly described and depicted in Exhibit "A" and Exhibit "B," each attached hereto and incorporated herein by this reference, is necessary to complete the construction of the Project; and

WHEREAS, the City Council finds and determines that there is a public purpose, a public need, and a public necessity to acquire the Property for the Project.

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

Section 1. That the facts and recitations contained in the above preamble of this Resolution are found to be true and correct and are hereby incorporated herein for all purposes.

Section 2. It is hereby found and determined that a public necessity exists for the welfare of the city and its residents and it is in the public interest to acquire real property interests (being a public right of way) described and depicted in Exhibit "A" and Exhibit "B," each attached hereto and incorporated herein by this reference, in the Property for the public purpose of constructing, expanding and reconstructing a right of way along Chiesa Road for completion of the Project by use of the City's power of eminent domain in accordance with the Texas Constitution and Texas Property Code with regard to the real property referred to herein as the Property and property interests therein described and depicted in Exhibit "A" and Exhibit "B" and the City Manager and City Attorney are authorized to take such actions and exercise such authority as are granted under Texas law and this Resolution in conformity with the same.

Section 3. It is further hereby found that the Project and the exercise of eminent domain with regard to the Property as authorized by this Resolution serves a public use and purpose. The City Council thus finds and declares that a public need, public purpose, public use, and public necessity exists for the acquisition of the real property interests described herein in the Property.

Section 4. It is further found and declared that the acquisition by the City of the real property interests described and depicted in Exhibit "A" and Exhibit "B" are necessary for the public use and purpose of the Project serving the public for the benefit of the health, safety, and welfare of the citizens and residents of the City of Rowlett and the public generally.

Section 5. If it is later determined that there are any errors in the description contained herein or if later surveys contain more accurate, revised descriptions, the City Attorney or his designee is authorized to have such errors corrected or revisions made without the necessity of obtaining additional City Council approval authorizing the condemnation of the corrected or revised property interests.

Section 6. The City Manager or City Attorney or designees thereof are hereby authorized to make initial and, as may be appropriate, final offers of just and adequate compensation for the Property, which shall not be less than the fair market value of the interests in the Property to be acquired, including damages to the remainder, if any, as shall be set forth in the independent appraisal of the interest in the Property obtained by the City and provided to said owners. In the event such offer is

accepted, the City Manager, and/or his designee, is hereby authorized to negotiate and sign such contracts and other documents the City Manager, and/or his designee, determines to be reasonable and necessary in order to close on the purchase of the Property.

Section 7. That in the event the offer made pursuant to Section 6, herein, is refused or not timely accepted by the owner(s)s of the Property, the City Attorney is hereby authorized and directed on behalf of the City to file or cause to be filed the necessary proceedings in eminent domain and to take whatever action may be necessary against the owner(s) and any other parties having an interest in the Property to acquire the interests in the Property described herein with the purpose of such title vesting in the City. The City Manager, City Attorney, or designee are hereby authorized on behalf of the City to engage and perform all the requirements imposed by the Texas Property Code as prerequisites to condemnation and to attempt to agree on damages and compensation to be paid to the owners of the Property.

Section 8. That this Resolution shall take effect immediately from and after its passage, and it is accordingly so resolved.

EXHIBIT "A"
PARCEL 2: PROPERTY DESCRIPTION AND DEPICTION

EXHIBIT 'A'

STATE OF TEXAS
COUNTY OF DALLAS
CITY OF ROWLETT

CHARLES D. MERRELL SURVEY, ABSTRACT NO. 957

PROPOSED RIGHT-OF-WAY OF CHIESA ROAD
Parcel P-2 (Kirby/Miller Joint Venture)

LAND DESCRIPTION

BEING a 0.0701-acre tract of land situated in the Charles D. Merrell Survey, Abstract No. 957, Dallas County, Texas and being the premises also known as 2801 Chiesa Road, Rowlett, Texas 75088 and being a portion of that 1.381-acre tract of land described as Tract "C" in Special Cash Warranty Deed to KIRBY/MILLER JOINT VENTURE as recorded in Volume 98185, Page 00072 of the Official Public Records of Dallas County, Texas (O.P.R.D.C.T.) and being more particularly described as follows:

COMMENCING at a 5/8-inch iron rod found at the northeast corner of said 1.381-acre tract, said point being on the west right-of-way line of Chiesa Road as established by instrument to the County of Dallas as recorded in Volume 2237, Page 350, O.P.R.D.C.T. (formerly 60-foot right-of-way), same point being the northeast corner of a 0.0963-acre tract of land in Deed to the City of Rowlett, Texas as recorded under Instrument No. 201100258961, O.P.R.D.C.T.;

THENCE South 89 degree 18 minutes 48 seconds West along the north line of said 0.0963-acre tract and north line of said 1.381-acre tract, a distance of 20.00 feet to a 5/8-inch iron rebar with yellow plastic cap stamped "Huitt-Zollars" set for the northwest corner of said 0.0963-acre tract and the **POINT OF BEGINNING**;

THENCE South 0 degrees 47 minutes 51 seconds East departing the north line of said 1.381-acre tract and continuing along the west line of said 0.0963-acre tract, a distance of 209.71 feet to a 5/8-inch iron rod with yellow plastic cap stamped "Huitt-Zollars" set at the southwest corner of said 0.0963-acre tract;

THENCE North 89 degrees 18 minutes 48 seconds East along the south line of said 0.0963-acre tract, a distance of 19.60 feet to a 5/8-inch iron rebar with yellow plastic cap stamped "Huitt-Zollars" set on the east line of said 1.381-acre tract and west right-of-way line of said Chiesa Road from which a 5/8-inch iron rebar found for reference bears North 73 degrees 50 minutes 55 seconds East at a distance of 0.44 feet;

THENCE South 0 degrees 41 minutes 15 seconds East along the east line of said 1.381-acre tract and west right-of-way line of said Chiesa Road, a distance of 35.85 feet to a 5/8-inch iron rebar with yellow plastic cap stamped "Huitt-Zollars" set on the south line of said 1.381-acre tract;

THENCE South 89 degrees 18 minutes 48 seconds West departing the west right-of-way line of said Chiesa Road and continuing along the south line of said 1.381-acre tract, a distance of 29.21 feet to a 5/8-inch iron rebar with yellow plastic cap stamped "Huitt-Zollars" set on the proposed west right-of-way line of Chiesa Road, said point being westerly and 60-feet perpendicularly distant from the proposed centerline of Chiesa Road;

THENCE North 0 degrees 45 minutes 14 seconds West along a line being parallel with the proposed centerline of Chiesa Road, a distance of 245.56 feet to a 5/8-inch iron rebar with yellow plastic cap stamped "Huitt-Zollars" set on the north line of said 1.381-acre tract;

THENCE North 89 degrees 18 minutes 48 seconds East along the north line of said 1.381-acre tract, a distance of 9.50 feet to the **POINT OF BEGINNING** and containing 0.0701 of an acre or 3,055 square feet of land, more or less.

The bearings shown hereon are based on the Texas State Plane Coordinate System, North Central Zone (4202), North American Datum 1983 (2011).

An exhibit drawing of even date accompanies this description.

This survey was completed without the benefit of a current title policy or commitment. There may be additional easements and/or rights-of-way that affect this property that Huitt-Zollars, Inc. has not been advised.

For Huitt-Zollars, Inc.

Mitchell S. Pillar, Registered Professional Land Surveyor
Texas Registration No. 5491
Huitt-Zollars, Inc.
5430 L.B.J. Freeway, Suite 1500
Dallas, Texas 75240
Texas Firm Registration No. 10025600
Date of Survey: February 24, 2023
Date of Certification: March 8, 2023
Parcel P-2

EXHIBIT "A"
PARCEL 2: PROPERTY DESCRIPTION AND DEPICTION

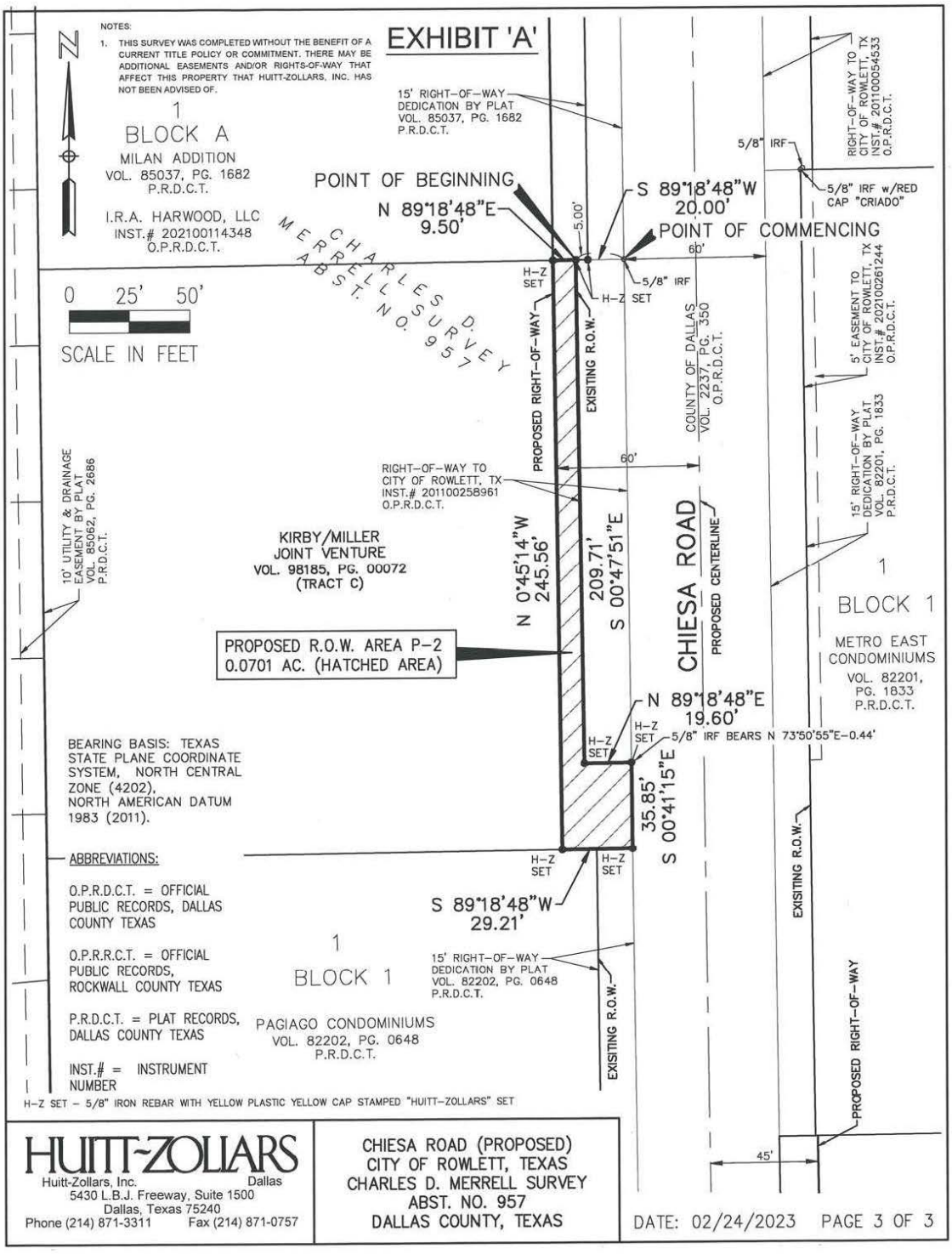


EXHIBIT "B"
PARCEL 5: PROPERTY DESCRIPTION AND DEPICTION

EXHIBIT 'A'

STATE OF TEXAS
COUNTY OF DALLAS
CITY OF ROWLETT

CHARLES D. MERRELL SURVEY, ABSTRACT NO. 957

PROPOSED RIGHT-OF-WAY OF CHIESA ROAD
Parcel P-5 (Nor-Tex Enterprises, Inc.)

LAND DESCRIPTION

BEING a 0.1139-acre tract of land situated in the Charles D. Merrell Survey, Abstract No. 957, Dallas County, Texas and being portion of a 20-foot Drainage & Utility Easement as shown on plat of New Town Estates No. 2 (aka: College Park No. 2), an addition to the City of Rowlett, Texas as recorded in Volume 83243, Page 2429 of the Official Public Records of Dallas County, Texas and being a portion of that 9.711-acre tract of land described in Warranty Deed with Vendor's Lien to Nor-Tex Enterprises, Inc. as recorded Volume 83142, Page 1072 of the Official Public Records of Dallas County, Texas (O.P.R.D.C.T.) and being more particularly described as follows:

BEGINNING at a 5/8-inch iron rebar with yellow plastic cap stamped "Huitt-Zollars" set at the northwest corner of said addition and northwest corner of the 20-foot Drainage & Utility Easement, said point being on the east right-of-way line of Chiesa Road (a 60-foot right-of-way at this point) as established by instrument to the County of Dallas as recorded in Volume 2285, Page 490, O.P.R.D.C.T.;

THENCE North 89 degrees 10 minutes 12 seconds East along the north line of said addition and 20-foot Drainage & Utility Easement, a distance of 15.91 feet to a 5/8-inch iron rebar with yellow plastic cap stamped "Huitt-Zollars" set for corner, said point being easterly and 45-feet perpendicularly distant from the proposed centerline of Chiesa Road;

THENCE South 0 degrees 45 minutes 14 seconds East departing the north line of said addition and said 20-foot Drainage & Utility Easement and continuing over and across said easement on a line being parallel to the proposed centerline of said Chiesa Road, a distance of 330.20 feet to a 5/8-inch iron rebar with yellow plastic cap stamped "Huitt-Zollars" set at the beginning of curve to the left having a central angle of 0 degrees 28 minutes 05 seconds, a radius of 605.00 feet and being subtended by a 4.94-foot chord which bears South 0 degrees 59 minutes 16 seconds East;

THENCE continuing along an arc being parallel 45-feet northeasterly from the said proposed centerline of Chiesa Road and said curve to the left, an arc distance of 4.94 feet to a 5/8-inch iron rebar with yellow plastic cap stamped "Huitt-Zollars" set for corner on the south line of said 20-foot Drainage & Utility Easement and a southerly line of said 9.711-acre tract, said point in the right-of-way of said Chiesa Road as described as a 2.49-acre tract of land in instrument to the City of Dallas, a municipal corporation as recorded in Volume 68023, Page 1188, O.P.R.D.C.T.;

THENCE South 88 degrees 54 minutes 08 seconds West along the south line of said Drainage & Utility Easement and a southerly line of said 9.711-acre tract, a distance of 13.73 feet to a 5/8-inch iron rebar with yellow plastic cap stamped "Huitt-Zollars" set at the most westerly-southwest corner of said 9.711-acre tract and being on the east right-of-way line of said Chiesa Road (60-foot right-of-way);

EXHIBIT "B"
PARCEL 5: PROPERTY DESCRIPTION AND DEPICTION

THENCE North 1 degree 07 minutes 45 seconds West along the east right-of-way line of said Chiesa Road (60-foot right-of-way) and west line of said 9.711-acre tract, a distance of 335.21 feet to the **POINT OF BEGINNING** and containing 0.1139 of an acre or 4,963 square feet of land, more or less.

The bearings shown hereon are based on the Texas State Plane Coordinate System, North Central Zone (4202), North American Datum 1983 (2011).

An exhibit drawing of even date accompanies this description.

This survey was completed without the benefit of a current title policy or commitment. There may be additional easements and/or rights-of-way that affect this property that Huitt-Zollars, Inc. has not been advised.

For Huitt-Zollars, Inc.

Mitchell S. Pillar, Registered Professional Land Surveyor
Texas Registration No. 5491
Huitt-Zollars, Inc.
5430 L.B.J. Freeway, Suite 1500
Dallas, Texas 75240
Texas Firm Registration No. 10025600
Date of Survey: March 06, 2023
Date of Certification: March 8, 2023
Parcel P-5

EXHIBIT "B"
PARCEL 5: PROPERTY DESCRIPTION AND DEPICTION

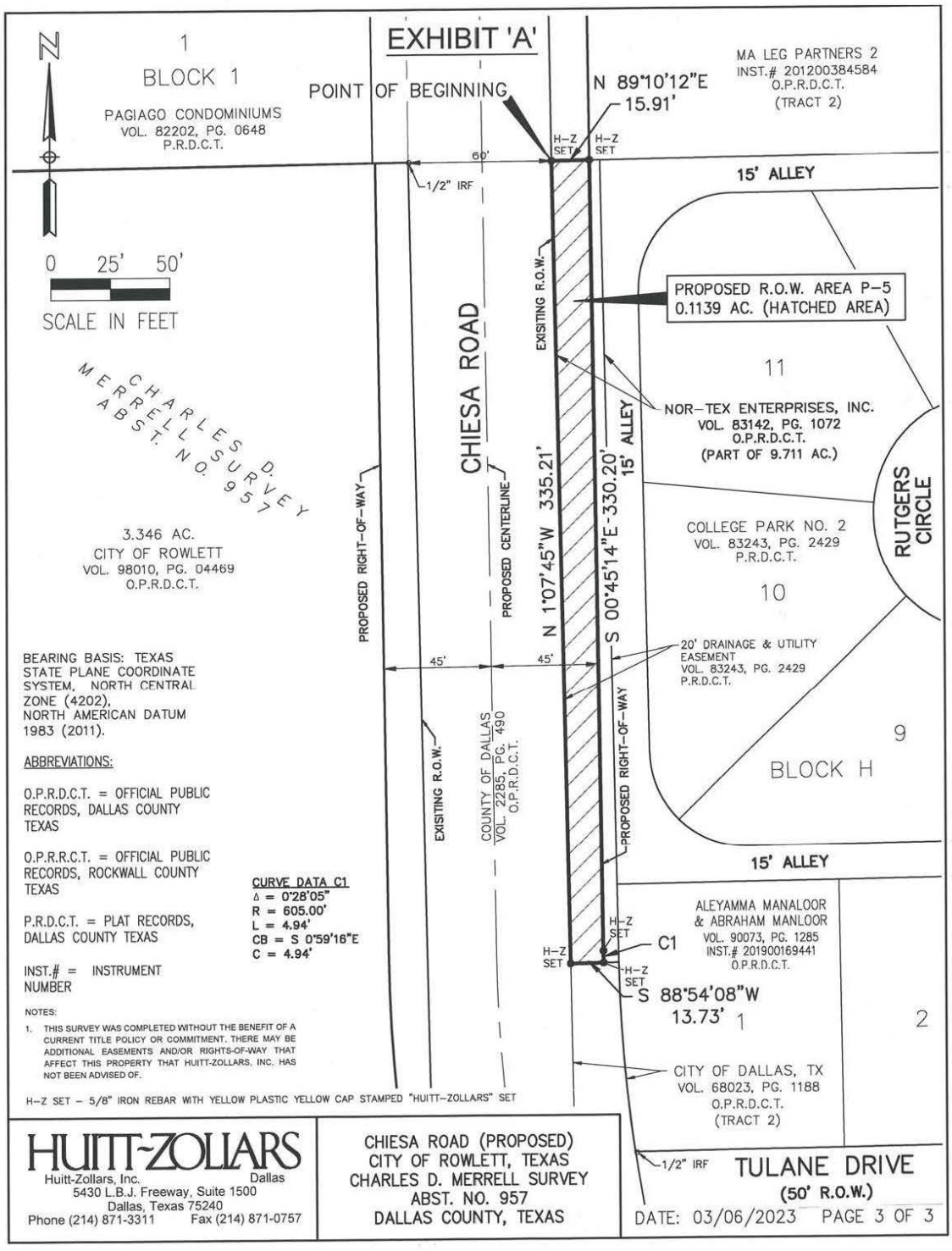


EXHIBIT 'A'

STATE OF TEXAS
COUNTY OF DALLAS
CITY OF ROWLETT

CHARLES D. MERRELL SURVEY, ABSTRACT NO. 957

PROPOSED RIGHT-OF-WAY OF CHIESA ROAD
Parcel P-2 (Kirby/Miller Joint Venture)

LAND DESCRIPTION

BEING a 0.0701-acre tract of land situated in the Charles D. Merrell Survey, Abstract No. 957, Dallas County, Texas and being the premises also known as 2801 Chiesa Road, Rowlett, Texas 75088 and being a portion of that 1.381-acre tract of land described as Tract "C" in Special Cash Warranty Deed to KIRBY/MILLER JOINT VENTURE as recorded in Volume 98185, Page 00072 of the Official Public Records of Dallas County, Texas (O.P.R.D.C.T.) and being more particularly described as follows:

COMMENCING at a 5/8-inch iron rod found at the northeast corner of said 1.381-acre tract, said point being on the west right-of-way line of Chiesa Road as established by instrument to the County of Dallas as recorded in Volume 2237, Page 350, O.P.R.D.C.T. (formerly 60-foot right-of-way), same point being the northeast corner of a 0.0963-acre tract of land in Deed to the City of Rowlett, Texas as recorded under Instrument No. 201100258961, O.P.R.D.C.T.;

THENCE South 89 degree 18 minutes 48 seconds West along the north line of said 0.0963-acre tract and north line of said 1.381-acre tract, a distance of 20.00 feet to a 5/8-inch iron rebar with yellow plastic cap stamped "Huitt-Zollars" set for the northwest corner of said 0.0963-acre tract and the **POINT OF BEGINNING**;

THENCE South 0 degrees 47 minutes 51 seconds East departing the north line of said 1.381-acre tract and continuing along the west line of said 0.0963-acre tract, a distance of 209.71 feet to a 5/8-inch iron rod with yellow plastic cap stamped "Huitt-Zollars" set at the southwest corner of said 0.0963-acre tract;

THENCE North 89 degrees 18 minutes 48 seconds East along the south line of said 0.0963-acre tract, a distance of 19.60 feet to a 5/8-inch iron rebar with yellow plastic cap stamped "Huitt-Zollars" set on the east line of said 1.381-acre tract and west right-of-way line of said Chiesa Road from which a 5/8-inch iron rebar found for reference bears North 73 degrees 50 minutes 55 seconds East at a distance of 0.44 feet;

THENCE South 0 degrees 41 minutes 15 seconds East along the east line of said 1.381-acre tract and west right-of-way line of said Chiesa Road, a distance of 35.85 feet to a 5/8-inch iron rebar with yellow plastic cap stamped "Huitt-Zollars" set on the south line of said 1.381-acre tract;

THENCE South 89 degrees 18 minutes 48 seconds West departing the west right-of-way line of said Chiesa Road and continuing along the south line of said 1.381-acre tract, a distance of 29.21 feet to a 5/8-inch iron rebar with yellow plastic cap stamped "Huitt-Zollars" set on the proposed west right-of-way line of Chiesa Road, said point being westerly and 60-feet perpendicularly distant from the proposed centerline of Chiesa Road;

THENCE North 0 degrees 45 minutes 14 seconds West along a line being parallel with the proposed centerline of Chiesa Road, a distance of 245.56 feet to a 5/8-inch iron rebar with yellow plastic cap stamped "Huitt-Zollars" set on the north line of said 1.381-acre tract;

THENCE North 89 degrees 18 minutes 48 seconds East along the north line of said 1.381-acre tract, a distance of 9.50 feet to the **POINT OF BEGINNING** and containing 0.0701 of an acre or 3,055 square feet of land, more or less.

The bearings shown hereon are based on the Texas State Plane Coordinate System, North Central Zone (4202), North American Datum 1983 (2011).

An exhibit drawing of even date accompanies this description.

This survey was completed without the benefit of a current title policy or commitment. There may be additional easements and/or rights-of-way that affect this property that Huitt-Zollars, Inc. has not been advised.

For Huitt-Zollars, Inc.

Mitchell S. Pillar, Registered Professional Land Surveyor
Texas Registration No. 5491
Huitt-Zollars, Inc.
5430 L.B.J. Freeway, Suite 1500
Dallas, Texas 75240
Texas Firm Registration No. 10025600
Date of Survey: February 24, 2023
Date of Certification: March 8, 2023
Parcel P-2

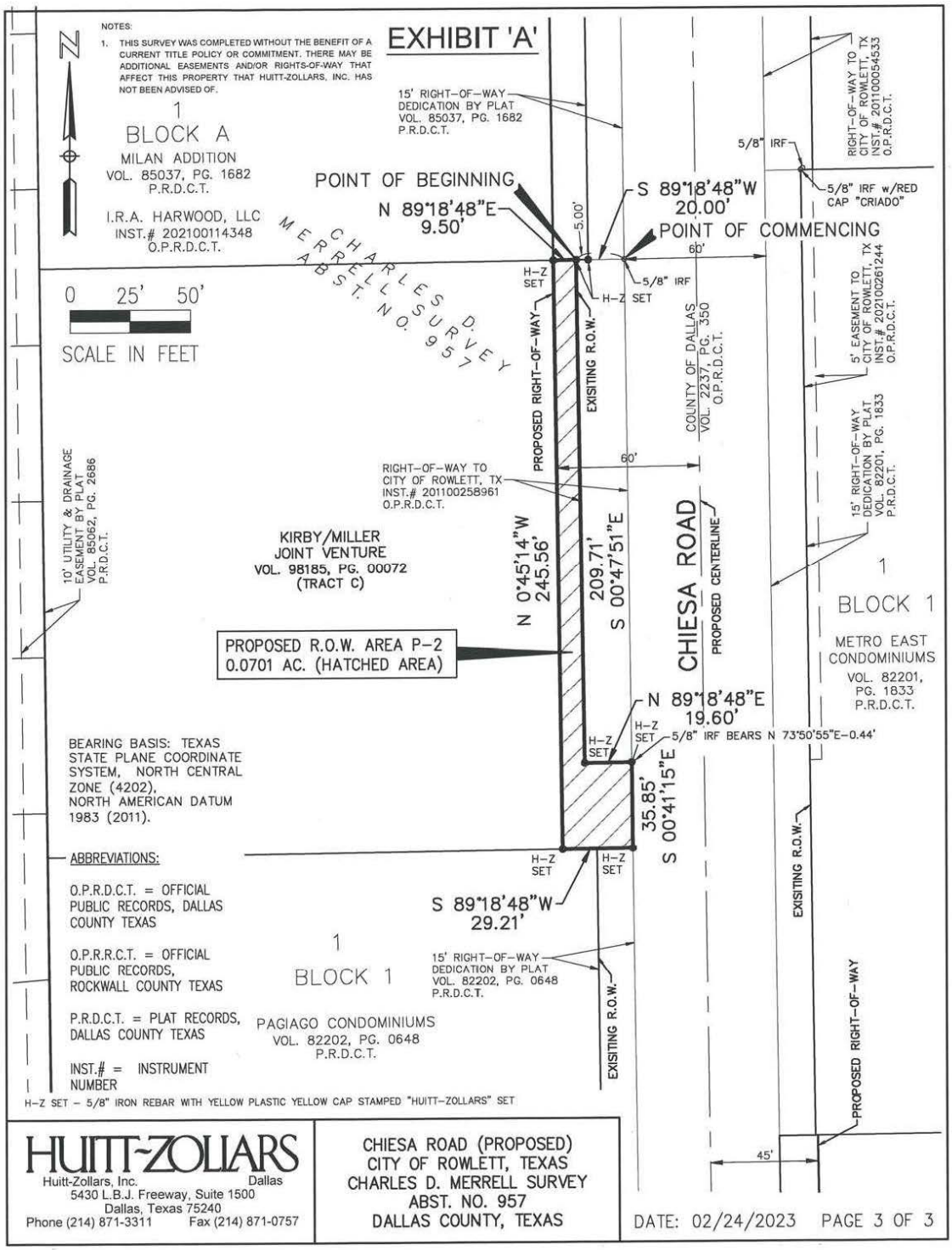


EXHIBIT 'A'
NOTES:
1. THIS SURVEY WAS COMPLETED WITHOUT THE BENEFIT OF A CURRENT TITLE POLICY OR COMMITMENT. THERE MAY BE ADDITIONAL EASEMENTS AND/OR RIGHTS-OF-WAY THAT AFFECT THIS PROPERTY THAT HUITT-ZOLLARS, INC. HAS NOT BEEN ADVISED OF.
N
1
BLOCK A
MILAN ADDITION
VOL. 85037, PG. 1682
P.R.D.C.T.
I.R.A. HARWOOD, LLC
INST.# 202100114348
O.P.R.D.C.T.
0 25' 50'
SCALE IN FEET
CHARLES D. MERRELL SURVEY ABST. NO. 957
15' RIGHT-OF-WAY DEDICATION BY PLAT VOL. 85037, PG. 1682 P.R.D.C.T.
POINT OF BEGINNING
N 89°18'48"E 9.50'
S 89°18'48"W 20.00'
POINT OF COMMENCING
5.00'
60'
5/8" IRF
5/8" IRF w/RED CAP "CRIADO"
RIGHT-OF-WAY TO CITY OF ROWLETT, TX INST.# 201100054533 O.P.R.D.C.T.
H-Z SET
PROPOSED RIGHT-OF-WAY
EXISITING R.O.W.
COUNTY OF DALLAS VOL. 2237, PG. 350 O.P.R.D.C.T.
5' EASEMENT TO CITY OF ROWLETT, TX INST.# 202100261244 O.P.R.D.C.T.
RIGHT-OF-WAY TO CITY OF ROWLETT, TX INST.# 201100258961 O.P.R.D.C.T.
15' RIGHT-OF-WAY DEDICATION BY PLAT VOL. 82201, PG. 1833 P.R.D.C.T.
10' UTILITY & DRAINAGE EASEMENT BY PLAT VOL. 85062, PG. 2686 P.R.D.C.T.
KIRBY/MILLER JOINT VENTURE VOL. 98185, PG. 00072 (TRACT C)
N 0°45'14"W 245.56'
209.71'
S 00°47'51"E
CHIESA ROAD
PROPOSED CENTERLINE
PROPOSED R.O.W. AREA P-2 0.0701 AC. (HATCHED AREA)
1
BLOCK 1
METRO EAST CONDOMINIUMS
VOL. 82201, PG. 1833
P.R.D.C.T.
N 89°18'48"E 19.60'
5/8" IRF BEARS N 73°50'55"E-0.44'
35.85'
S 00°41'15"E
BEARING BASIS: TEXAS STATE PLANE COORDINATE SYSTEM, NORTH CENTRAL ZONE (4202), NORTH AMERICAN DATUM 1983 (2011).
ABBREVIATIONS:
O.P.R.D.C.T. = OFFICIAL PUBLIC RECORDS, DALLAS COUNTY TEXAS
O.P.R.R.C.T. = OFFICIAL PUBLIC RECORDS, ROCKWALL COUNTY TEXAS
P.R.D.C.T. = PLAT RECORDS, DALLAS COUNTY TEXAS
INST.# = INSTRUMENT NUMBER
S 89°18'48"W 29.21'
15' RIGHT-OF-WAY DEDICATION BY PLAT VOL. 82202, PG. 0648 P.R.D.C.T.
1
BLOCK 1
PAGIAGO CONDOMINIUMS
VOL. 82202, PG. 0648
P.R.D.C.T.
EXISITING R.O.W.
PROPOSED RIGHT-OF-WAY
45'
H-Z SET - 5/8" IRON REBAR WITH YELLOW PLASTIC YELLOW CAP STAMPED "HUITT-ZOLLARS" SET
HUITT-ZOLLARS
Huitt-Zollars, Inc. Dallas
5430 L.B.J. Freeway, Suite 1500
Dallas, Texas 75240
Phone (214) 871-3311 Fax (214) 871-0757
CHIESA ROAD (PROPOSED)
CITY OF ROWLETT, TEXAS
CHARLES D. MERRELL SURVEY
ABST. NO. 957
DALLAS COUNTY, TEXAS
DATE: 02/24/2023 PAGE 3 OF 3

EXHIBIT "B"
PARCEL 5: PROPERTY DESCRIPTION AND DEPICTION

EXHIBIT 'A'

STATE OF TEXAS
COUNTY OF DALLAS
CITY OF ROWLETT

CHARLES D. MERRELL SURVEY, ABSTRACT NO. 957

PROPOSED RIGHT-OF-WAY OF CHIESA ROAD
Parcel P-5 (Nor-Tex Enterprises, Inc.)

LAND DESCRIPTION

BEING a 0.1139-acre tract of land situated in the Charles D. Merrell Survey, Abstract No. 957, Dallas County, Texas and being portion of a 20-foot Drainage & Utility Easement as shown on plat of New Town Estates No. 2 (aka: College Park No. 2), an addition to the City of Rowlett, Texas as recorded in Volume 83243, Page 2429 of the Official Public Records of Dallas County, Texas and being a portion of that 9.711-acre tract of land described in Warranty Deed with Vendor's Lien to Nor-Tex Enterprises, Inc. as recorded Volume 83142, Page 1072 of the Official Public Records of Dallas County, Texas (O.P.R.D.C.T.) and being more particularly described as follows:

BEGINNING at a 5/8-inch iron rebar with yellow plastic cap stamped "Huitt-Zollars" set at the northwest corner of said addition and northwest corner of the 20-foot Drainage & Utility Easement, said point being on the east right-of-way line of Chiesa Road (a 60-foot right-of-way at this point) as established by instrument to the County of Dallas as recorded in Volume 2285, Page 490, O.P.R.D.C.T.;

THENCE North 89 degrees 10 minutes 12 seconds East along the north line of said addition and 20-foot Drainage & Utility Easement, a distance of 15.91 feet to a 5/8-inch iron rebar with yellow plastic cap stamped "Huitt-Zollars" set for corner, said point being easterly and 45-feet perpendicularly distant from the proposed centerline of Chiesa Road;

THENCE South 0 degrees 45 minutes 14 seconds East departing the north line of said addition and said 20-foot Drainage & Utility Easement and continuing over and across said easement on a line being parallel to the proposed centerline of said Chiesa Road, a distance of 330.20 feet to a 5/8-inch iron rebar with yellow plastic cap stamped "Huitt-Zollars" set at the beginning of curve to the left having a central angle of 0 degrees 28 minutes 05 seconds, a radius of 605.00 feet and being subtended by a 4.94-foot chord which bears South 0 degrees 59 minutes 16 seconds East;

THENCE continuing along an arc being parallel 45-feet northeasterly from the said proposed centerline of Chiesa Road and said curve to the left, an arc distance of 4.94 feet to a 5/8-inch iron rebar with yellow plastic cap stamped "Huitt-Zollars" set for corner on the south line of said 20-foot Drainage & Utility Easement and a southerly line of said 9.711-acre tract, said point in the right-of-way of said Chiesa Road as described as a 2.49-acre tract of land in instrument to the City of Dallas, a municipal corporation as recorded in Volume 68023, Page 1188, O.P.R.D.C.T.;

THENCE South 88 degrees 54 minutes 08 seconds West along the south line of said Drainage & Utility Easement and a southerly line of said 9.711-acre tract, a distance of 13.73 feet to a 5/8-inch iron rebar with yellow plastic cap stamped "Huitt-Zollars" set at the most westerly-southwest corner of said 9.711-acre tract and being on the east right-of-way line of said Chiesa Road (60-foot right-of-way);

THENCE North 1 degree 07 minutes 45 seconds West along the east right-of-way line of said Chiesa Road (60-foot right-of-way) and west line of said 9.711-acre tract, a distance of 335.21 feet to the **POINT OF BEGINNING** and containing 0.1139 of an acre or 4,963 square feet of land, more or less.

The bearings shown hereon are based on the Texas State Plane Coordinate System, North Central Zone (4202), North American Datum 1983 (2011).

An exhibit drawing of even date accompanies this description.

This survey was completed without the benefit of a current title policy or commitment. There may be additional easements and/or rights-of-way that affect this property that Huitt-Zollars, Inc. has not been advised.

For Huitt-Zollars, Inc.

Mitchell S. Pillar, Registered Professional Land Surveyor
Texas Registration No. 5491
Huitt-Zollars, Inc.
5430 L.B.J. Freeway, Suite 1500
Dallas, Texas 75240
Texas Firm Registration No. 10025600
Date of Survey: March 06, 2023
Date of Certification: March 8, 2023
Parcel P-5

EXHIBIT "B"
PARCEL 5: PROPERTY DESCRIPTION AND DEPICTION

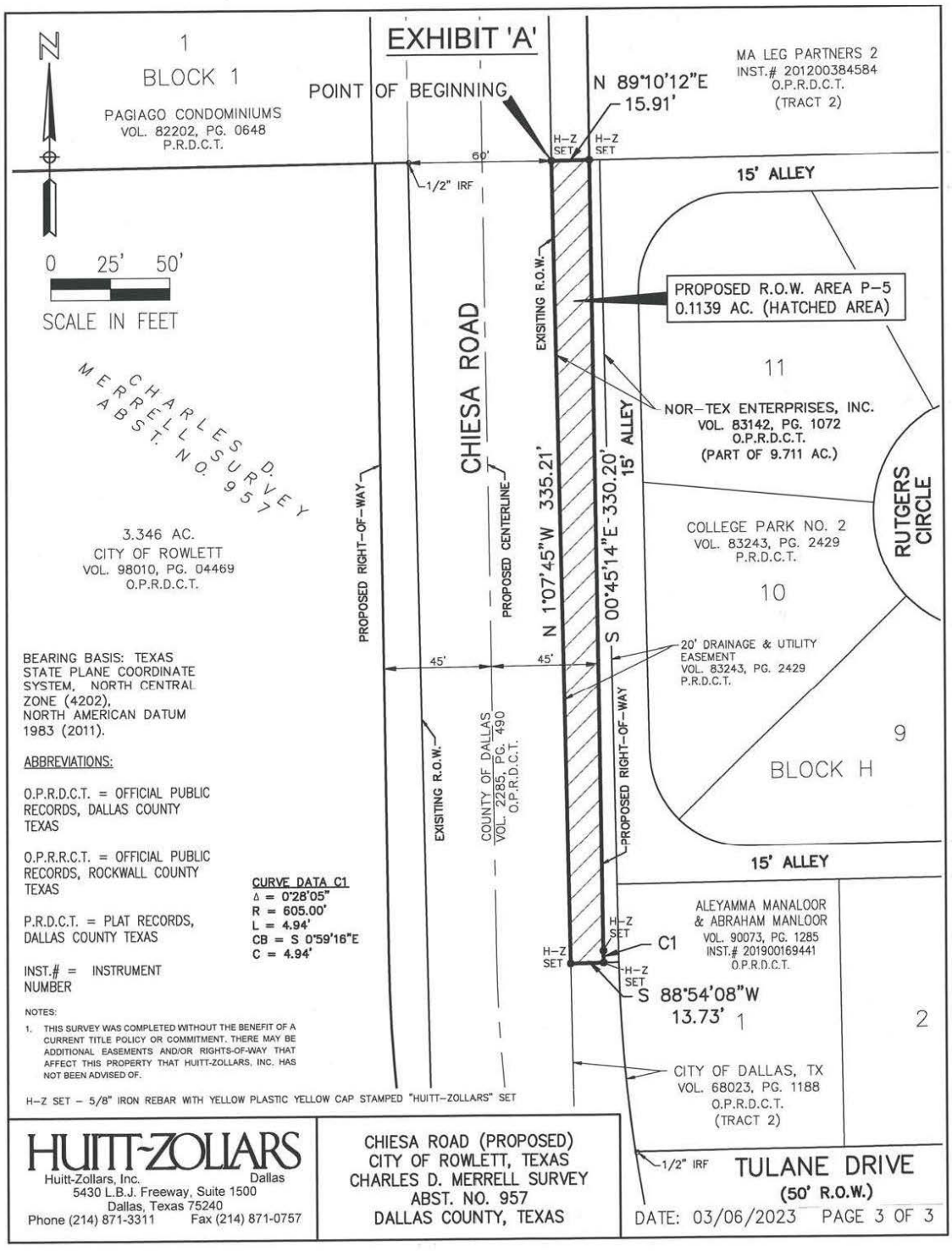


Exhibit A

27 Properties for Row acquisition

2801 Chiesa Road (Parcel 2)

NOR-TEX Enterprises (Parcel 5)

City of Rowlett
City Council Agenda Item

Meeting Date: 7/21/2026 **Agenda Item:** 5.A.

Title
Consider action to adopt parameter ordinances authorizing the issuance of General Obligation Bonds, Certificates of Obligation, Tax Notes, and Water and Sewer Revenue Bonds with the final terms to be approved by the City's pricing officers on any date until expiration of the delegated authority.

Staff Representative
Michael Kuhn, Treasury & Debt Manager
Wendy Badgett, Director of Finance

Executive Summary

The purpose of this item is to obtain Council's adoption of Parameter Ordinances authorizing the sale of the following debt instruments: i) general obligation bonds ($14.3 million of projects), ii) certificates of obligation ($5.2 million of projects), iii) tax notes ($5.5 million of projects), and iv) water and sewer bonds ($7 million of projects) (collectively the "2026 Debt Instruments"). Proceeds will fund voter-approved bond projects, Council-authorized capital improvements and equipment, and water and sewer infrastructure improvements. The ordinances delegate authority to the City's pricing officers to approve the final terms of each issuance, within Council-approved parameters, allowing the City to take advantage of favorable market conditions while maintaining oversight of maximum principal amounts, interest rates, and maturity dates.

Strategic Priority and Goal(s)

Strategic Priority	Strategic Goal
PROMOTE OPERATIONAL EXCELLENCE	7.3 Support investments in upgraded, consolidated City facilities.

Background Information

On February 14, 2024 and June 17, 2024, Staff shared proposed capital improvement project lists and plans which described the 2024 Bond Election projects (passed by

voters on May 4, 2024) as well as projects to be funded with either certificates of obligation and/or tax notes. These plans also shared a strategy of transitioning capital expenditures from leases and similar debt instruments supported by the City Maintenance and Operations ("M&O") tax resources to traditional debt instruments supported by City Interest and Sinking ("I&S") tax resources. On August 20, 2024, moving forward with implementation of this plan, Council approved the sale of the first tranche of bonds comprising GO Bonds, CO's, and Tax Notes to fund various infrastructure, vehicle, and equipment needs. The second tranche of bonds for this plan were approved on July 15th, 2025. This item is for the third tranche of bonds for the debt plan.

Discussion

If approved by Council, the issuance of the 2026 Debt Instruments, including GO Bonds, CO's, Tax Notes, and Water and Sewer Bonds, would fund the following:

GO Supported Investments
Road Construction and Reconstruction, Community Park Maintenance Facility, Parks Projects
CO Supported Investments
Road Improvements and Reconstruction and Parks Projects
Tax Note Supported Investments
Fire Equipment and Apparatus, Police Equipment and Vehicle Replacement, IT Equipment and CIP Software, Other Department Vehicles Replacement, Facilities Improvements
Water and Sewer Supported Investments
Water and Sewer System Improvements

A summary of the GO, CO, and Tax Note Projects with further details of the items being funded may be found in **Attachment 2**.

Structuring for the proposed tax backed debt considers the debt plan developed by Staff which was based on Council's priorities as expressed during the June 17th 2024 Budget Work Session. This proposed issuance augments the debt issued in 2024 and in 2025. Structuring for this transaction will target a stabilized I&S rate of 27 cents for FY27. This rate target was set as part of the FY23 Bond Election that supported the issuance of debt to build a public safety facility, an animal shelter, and improvements to Herfurth Park. Acting consistent with this plan is dependent upon final calculations from the Dallas and Rockwall appraisal districts and Dallas County regarding the City's taxing values and authority.

The Parameter Ordinances proposed would delegate final pricing authority to a Pricing Officer (typically two named, such as the City Manager and/or the Finance Director) to approve the sale only if the conditions set forth in the Parameter Ordinance are met, which must include parameters for maximum true interest cost, maximum principal amount of issue, final maturity date, and an expiration of delegated authority. This allows the City maximum flexibility to price the bonds on any day, rather than being locked into pricing on the date of a City Council meeting. The Ordinance parameters proposed for the 2026 Debt

Instruments are as follows:

GO
• Maximum true interest cost = 5.50%
• Maximum principal amount of issue = $14,566,000*
• Final maturity date = February 15, 2046
• Expiration of delegated authority = July 20, 2027
** includes costs of issuance and project fund deposit amount*

CO
• Maximum true interest cost = 5.50%
• Maximum principal amount of issue = $5,150,000
• Final maturity date = February 15, 2046
• Expiration of delegated authority = October 19, 2026

Tax Note
• Maximum true interest cost = 5.50%
• Maximum principal amount of issue = $5,622,000*
• Final maturity date = February 15, 2033
• Expiration of delegated authority = July 20, 2027
** includes costs of issuance and project fund deposit amount*

Water and Sewer
• Maximum true interest cost = 5.50%
• Maximum principal amount of issue = $7,421,000*
• Final maturity date = March 1, 2046
• Expiration of delegated authority = July 20, 2027
** includes costs of issuance, debt service reserve fund deposit, and project fund deposit amount*

The Parameter Ordinances are included as **Exhibit A, B, C and D** as well as the Sources and Uses for the proposed issuance as **Attachment 3, 4, 5, and 6**. Final numbers and details will not be available until final pricing and will be determined by market conditions at the time of sale and may result in a variance in issuance costs and par amount from the attachments.

Financial/Budget Implications

Funding for the 2026 GO Bonds, CO's, and Tax Notes will be paid from the City's Interest and Sinking (I&S) ad valorem tax revenues and is structured to be issued within the City's existing debt capacity. As such, the proposed issuances are not expected to require an increase to the I&S tax rate, which is projected to remain at the targeted rate of 27 cents per $100 of assessed valuation.

Funding for the 2026 Water and Sewer Bonds will be funded through user fees of the City's water and sewer service.

Final pricing of all issuances will be determined by market conditions at the time of sale.

Recommended Action

Each of the four recommended bond issuances must have a separate Council action.

City of Rowlett, Texas, General Obligation Bonds, Series 2026

City staff recommends Council consider all matters incident and related to the issuance and sale of "City of Rowlett, Texas, General Obligation Bonds, Series 2026", including the adoption of an ordinance authorizing the issuance of such obligations and establishing procedures and delegating authority for the sale and delivery of such bonds.

Suggested Motion: “I move to adopt an ordinance authorizing the issuance and sale of "City of Rowlett, Texas, General Obligation Bonds, Series 2026" and approving all other matters related thereto."

City of Rowlett, Texas, Combination Tax and Limited Surplus Revenue Certificates of Obligation, Series 2026

City staff recommends Council consider all matters incident and related to the issuance and sale of "City of Rowlett, Texas, Combination Tax and Limited Surplus Revenue Certificates of Obligation, Series 2026", including the adoption of an ordinance authorizing the issuance of such obligations and establishing procedures and delegating authority for the sale and delivery of such obligations.

Suggested Motion: “I move to adopt an ordinance authorizing the issuance and sale of "City of Rowlett, Texas, Combination Tax and Limited Surplus Revenue Certificates of Obligation, Series 2026" and approving all other matters related thereto.”

City of Rowlett, Texas, Tax Notes, Series 2026

City staff recommends Council consider all matters incident and related to the issuance and sale of "City of Rowlett, Texas, Tax Notes, Series 2026", including the adoption of an ordinance authorizing the issuance of such obligations and establishing procedures and delegating authority for the sale and delivery of such tax notes.

Suggested Motion: "I move to adopt an ordinance authorizing the issuance and sale of "City of Rowlett, Texas, Tax Notes, Series 2026" and approving all other matters related thereto.”

City of Rowlett, Texas, Waterworks and Sewer System Revenue Bonds, Series 2026

City staff recommends Council consider all matters incident and related to the issuance and sale of City of Rowlett, Texas, Waterworks and Sewer System Revenue Bonds in one or more series, including the adoption of an ordinance authorizing the issuance of such obligations and establishing procedures and delegating authority for the sale and delivery of such bonds.

Suggested Motion: “I move to adopt an ordinance authorizing the issuance and sale of City of Rowlett, Texas, Waterworks and Sewer System Revenue Bonds in one or more series and approving all other matters related thereto.”

Ordinances

See Exhibits A, B, C, D

Attachments

1. GO Parameter Ordinance
2. CO Parameter Ordinance
3. TN Parameter Ordinance
4. WS Parameter Ordinance
5. Attachment 1 - Preliminary Planning Analysis
6. Attachment 2 - Project Funding Overview
7. Attachment 3 – Preliminary General Obligation Bonds Sources & Uses
8. Attachment 4 – Preliminary Certificates of Obligation Sources & Uses
9. Attachment 5 – Preliminary Tax Notes Sources & Uses
10. Attachment 6 – Preliminary Water and Sewer Bonds Sources & Uses

ORDINANCE AUTHORIZING THE ISSUANCE OF CITY OF ROWLETT, TEXAS, GENERAL OBLIGATION BONDS, SERIES 2026, ESTABLISHING SALE PARAMETERS, PROVIDING FOR THE SECURITY FOR AND PAYMENT OF SAID BONDS; AND ENACTING OTHER PROVISIONS RELATING TO THE SUBJECT

THE STATE OF TEXAS	§
COUNTIES OF DALLAS AND ROCKWALL	§
CITY OF ROWLETT	§

WHEREAS, at an election held in the City of Rowlett, Texas, on May 6, 2023 (the "2023 Election"), the voters of the City approved the issuance of general obligation bonds by the City in three propositions, which propositions read as follows:

CITY OF ROWLETT, TEXAS SPECIAL ELECTION
CITY OF ROWLETT, TEXAS PROPOSITION A

Shall the City Council of the City of Rowlett, Texas, be authorized to issue and sell the bonds of said City, in one or more series or issues, in the aggregate principal amount of $63,928,980 for the purpose of designing, constructing, improving and equipping public safety facilities, including fire, police and municipal court facilities and related infrastructure; with said bonds to be issued in one or more series or issues, to mature, bear interest at such rate or rates, not to exceed the respective limits prescribed by law at the time of issuance, and to be sold at such price or prices, as the City Council in its discretion shall determine; and shall there be levied and pledged, assessed and collected annually ad valorem taxes on all taxable property in said City in an amount sufficient, within the limits prescribed by law, to pay the annual interest on said bonds and provide a sinking fund to pay said bonds at maturity?

CITY OF ROWLETT, TEXAS SPECIAL ELECTION
CITY OF ROWLETT, TEXAS PROPOSITION B

Shall the City Council of the City of Rowlett, Texas, be authorized to issue and sell the bonds of said City, in one or more series or issues, in the aggregate principal amount of $8,400,000 for the purpose of designing, constructing, improving and equipping a municipal animal shelter and related infrastructure; with said bonds to be issued in one or more series or issues, to mature, bear interest at such rate or rates, not to exceed the respective limits prescribed by law at the time of issuance, and to be sold at such price or prices, as the City Council in its discretion shall determine; and shall there be levied and pledged, assessed and collected annually ad valorem taxes on all taxable property in said City in an amount sufficient, within the limits prescribed by law, to pay the annual interest on said bonds and provide a sinking fund to pay said bonds at maturity?

CITY OF ROWLETT, TEXAS SPECIAL ELECTION
CITY OF ROWLETT, TEXAS PROPOSITION C

Shall the City Council of the City of Rowlett, Texas, be authorized to issue and sell the bonds of said City, in one or more series or issues, in the aggregate principal amount of $4,000,000 for the purpose of designing, constructing, improving and equipping Herfurth Park; with said bonds to be issued in one or more series or issues, to mature, bear interest at such rate or rates, not to exceed the respective limits prescribed by law at the time of issuance, and to be sold at such price or prices, as the City Council in its discretion shall determine; and shall there be levied and pledged, assessed and collected annually ad valorem taxes on all taxable property in said City in an amount sufficient, within the limits prescribed by law, to pay the annual interest on said bonds and provide a sinking fund to pay said bonds at maturity?; and

WHEREAS, the City has previously issued all of the voted authority under Proposition C; and

WHEREAS, at an election held in the City on May 4, 2024 (the "2024 Election"), the voters of the City approved the issuance of general obligation bonds by the City in four propositions, which propositions read as follows:

CITY OF ROWLETT, TEXAS SPECIAL ELECTION
CITY OF ROWLETT, TEXAS PROPOSITION A

Shall the City Council of the City of Rowlett, Texas, be authorized to issue and sell the bonds of said City, in one or more series or issues, in the aggregate principal amount of $35,000,000 for the purpose of designing, constructing, reconstructing, improving, extending, expanding, upgrading and developing streets, roads, sidewalks, thoroughfares and related improvements in the City, including pedestrian right of ways, related drainage, utility relocation, signalization, landscaping, lighting, and signage, and the purchase of land, any necessary rights-of-way and other costs related to such street and road projects; with said bonds to be issued in one or more series or issues, to mature, bear interest at such rate or rates, not to exceed the respective limits prescribed by law at the time of issuance, and to be sold at such price or prices, as the City Council in its discretion shall determine; and shall there be levied and pledged, assessed and collected annually ad valorem taxes on all taxable property in said City in an amount sufficient, within the limits prescribed by law, to pay the annual interest on said bonds and provide a sinking fund to pay said bonds at maturity?

CITY OF ROWLETT, TEXAS SPECIAL ELECTION
CITY OF ROWLETT, TEXAS PROPOSITION B

Shall the City Council of the City of Rowlett, Texas, be authorized to issue and sell the bonds of said City, in one or more series or issues, in the aggregate principal amount of $8,500,000 for the purpose of designing, constructing, improving, and equipping parks and recreational facilities, and the acquisition of land and interests in land for parks and recreational facilities; with said bonds to be issued in one or more series or issues, to mature, bear interest at such rate or rates, not to exceed the respective limits prescribed by law at the time of issuance, and to be sold at such price or prices, as the City Council in its discretion shall determine; and shall there be levied and pledged, assessed and collected annually ad valorem taxes on all taxable property in said City in an amount sufficient, within the limits prescribed by law, to pay the annual interest on said bonds and provide a sinking fund to pay said bonds at maturity?

CITY OF ROWLETT, TEXAS SPECIAL ELECTION
CITY OF ROWLETT, TEXAS PROPOSITION C

Shall the City Council of the City of Rowlett, Texas, be authorized to issue and sell the bonds of said City, in one or more series or issues, in the aggregate principal amount of $4,700,000 for the purpose of designing, constructing, improving and equipping public safety facilities, including fire facilities and related infrastructure; with said bonds to be issued in one or more series or issues, to mature, bear interest at such rate or rates, not to exceed the respective limits prescribed by law at the time of issuance, and to be sold at such price or prices, as the City Council in its discretion shall determine; and shall there be levied and pledged, assessed and collected annually ad valorem taxes on all taxable property in said City in an amount sufficient, within the limits prescribed by law, to pay the annual interest on said bonds and provide a sinking fund to pay said bonds at maturity?

CITY OF ROWLETT, TEXAS SPECIAL ELECTION
CITY OF ROWLETT, TEXAS PROPOSITION D

Shall the City Council of the City of Rowlett, Texas, be authorized to issue and sell the bonds of said City, in one or more series or issues, in the aggregate principal amount of $3,150,000 for the purpose of installing street lighting for Lakeview Parkway, with any surplus proceeds remaining after completion of such project to be used for street lighting for other major thoroughfares in the City; with said bonds to be issued in one or more series or issues, to mature, bear interest at such rate or rates, not to exceed the respective limits prescribed by law at the time of issuance, and to be sold at such price or prices, as the City Council in its discretion shall determine; and shall there be levied and pledged, assessed and collected annually ad valorem taxes on all taxable property in said City in an

amount sufficient, within the limits prescribed by law, to pay the annual interest on said bonds and provide a sinking fund to pay said bonds at maturity?; and

WHEREAS, the City has previously issued all of the voted authority under Proposition C and Proposition D; and

WHEREAS, the City Council of the City (the "Council") deems it necessary and advisable to authorize, issue and deliver a portion of the bonds authorized at the 2024 Election in an amount up to $14,300,000, with such amount to be determined by the Pricing Officer in a Pricing Certificate and as set forth below:

DATE OF ELECTION	AMOUNT AUTHORIZED	PURPOSE	AMOUNT PREVIOUSLY SOLD	AMOUNT BEING ISSUED[1]	AMOUNT REMAINING
May 6, 2023	$ 63,928,980	Public Safety	$ 23,928,980	$ 0	$ 40,000,000
May 6, 2023	8,400,000	Animal Shelter	5,400,000	0	3,000,000
May 4, 2024	35,000,000	Streets	22,700,000	12,300,000	0
May 4, 2024	8,500,000	Parks & Recreation	6,500,000	2,000,000	0

(1) Includes premium deposited into the Construction Fund and applied against voted authorization. The table above shall be reproduced in the Pricing Certificate with such changes necessary to reflect the final pricing information.

WHEREAS, the Bonds are being issued and delivered pursuant to Chapter 1331 (defined below), Chapter 1371 (defined below), and the City's Home Rule Charter; and; and

WHEREAS, the City is an "issuer" under Section 1371.001(4)(P), Texas Government Code, having (i) a principal amount of at least $100 million in outstanding long-term indebtedness, in long-term indebtedness proposed to be issued, or a combination of outstanding or proposed long-term indebtedness and (ii) some amount of long-term indebtedness outstanding or proposed to be issued that is rated in one of the four highest rating categories for long-term debt instruments by a nationally recognized rating agency for municipal securities, without regard to the effect of any credit agreement or other form of credit enhancement entered into in connection with the obligation; and

WHEREAS, the Council hereby finds and determines that it is in the best interests of the City to issue the Bonds, in one or more series, for the purposes stated herein, and to delegate to the Pricing Officer the authority to act on behalf of the City in selling and delivering the Bonds and setting the dates, price, interest rates, interest payment periods and other procedures relating thereto, as hereinafter specified, with such information and terms to be included in one or more Pricing Certificates to be executed by the Pricing Officer, all in accordance with the provisions of Section 1371.053, Texas Government Code, as amended; and

WHEREAS, it is officially found, determined and declared that the meeting at which this Ordinance has been adopted was open to the public, and public notice of the date, hour, place and subject of said meeting, including this Ordinance, was given, all as required by the applicable provisions of Chapter 551, Texas Government Code, as amended;

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

Section 1. RECITALS, AMOUNT, PURPOSE AND DESIGNATION OF THE BONDS. (a) The recitals set forth in the preamble hereof are incorporated herein and shall have the same force and effect as if set forth in this Section.

(b) The Bonds are hereby authorized to be issued and delivered, in one or more series, in the maximum aggregate principal amount hereinafter set forth for the public purposes of (i) designing, constructing, reconstructing, improving, extending, expanding, upgrading and developing streets, roads, sidewalks, thoroughfares and related improvements in the City, including pedestrian right of ways, related drainage, utility relocation, signalization, landscaping, lighting, and signage, and the purchase of land, any necessary rights-of-way and other costs related to such street and road projects; (ii) designing, constructing, improving, and equipping parks and recreational facilities, and the acquisition of land and interests in land for parks and recreational facilities; and (iii) paying the costs incurred in connection with the issuance of the Bonds.

(c) Each Bond issued pursuant to this Ordinance shall be designated: "CITY OF ROWLETT, TEXAS, GENERAL OBLIGATION BOND, SERIES 2026", or such other designation set forth in a Pricing Certificate, as single series of bonds or as multiple series of bonds, to be determined by the Pricing Officer in one or more Pricing Certificates, and initially there shall be issued, sold, and delivered hereunder fully registered Bonds, without interest coupons, payable to the respective registered owners thereof (with the initial Bond(s) being made payable to the Underwriter as described herein), or to the registered assignee or assignees of said bonds or any portion or portions thereof (in each case, the "Registered Owner"). The Bonds shall be in the respective denominations and principal amounts, shall be numbered, shall mature and be payable on the date or dates in each of the years and in the principal amounts or amounts due at maturity, as applicable, and shall bear interest to their respective dates of maturity or redemption, if applicable, prior to maturity at the rates per annum, as set forth in one or more Pricing Certificates.

Section 2. DEFINITIONS. Unless otherwise expressly provided or unless the context clearly requires otherwise in this Ordinance, the following terms shall have the meanings specified below:

"Attorney General" shall mean the Attorney General of the State.

"Authorized Officials" means the Mayor, the Mayor Pro Tem, the City Secretary and each Pricing Officer.

"Bonds" means and includes the Bonds initially issued and delivered pursuant to this Ordinance and all substitute Bonds exchanged therefor, as well as all other substitute Bonds and replacement Bonds issued pursuant hereto, and the term "Bond" shall mean any of the Bonds.

"Chapter 1201" means Chapter 1201, Texas Government Code, as amended.

"Chapter 1206" means Chapter 1206, Texas Government Code, as amended.

"Chapter 1208" means Chapter 1208, Texas Government Code, as amended.

"Chapter 1331" means Chapter 1331, Texas Government Code, as amended.

"Chapter 1371" means Chapter 1371, Texas Government Code, as amended.

"Code" means the Internal Revenue Code of 1986, as amended.

"Comptroller" shall mean the Comptroller of Public Accounts of the State.

"Delivery Date" shall mean the date or dates of delivery of any series of Bonds to the Underwriter against payment therefor, as determined by the Pricing Officer in the Pricing Certificate.

"Projects" shall mean (i) designing, constructing, reconstructing, improving, extending, expanding, upgrading and developing streets, roads, sidewalks, thoroughfares and related improvements in the City, including pedestrian right of ways, related drainage, utility relocation, signalization, landscaping, lighting, and signage, and the purchase of land, any necessary rights-of-way and other costs related to such street and road projects; and (ii) designing, constructing, improving, and equipping parks and recreational facilities, and the acquisition of land and interests in land for parks and recreational facilities.

"Purchase Contract" means (i) a bond purchase agreement between the City and the Underwriter, pertaining to the purchase of the Bonds by the Underwriter sold through a negotiated sale conducted as a public underwriting; (ii) a private placement agreement between the City and the Underwriter, pertaining to the purchase of the Bonds by the Underwriter sold through a negotiated sale conducted as a private placement; and (iii) the bid form prepared in accordance with the notice of sale and bidding instructions and submitted by potential purchasers of any Bonds sold pursuant to a competitive sale.

"State" shall mean the State of Texas.

"Underwriter" shall mean the initial purchaser(s) of the Bonds designated by the Pricing Officer in the Pricing Certificate.

Section 3. DELEGATION TO PRICING OFFICER. (a) As authorized by Section 1371.053, Texas Government Code, as amended, the City Manager and the Finance Director of the City are each individually hereby authorized to act on behalf of the City in selling and delivering the Bonds and carrying out the procedures specified in this Ordinance (of which officers, the officer executing the Pricing Certificate shall be hereinafter referred to as, and shall for all purposes be, the "Pricing Officer"), including determining whether the Bonds shall be issued in one or more series or subseries, determining the principal amount of Bonds to be issued, the amount to be applied against each proposition, determining whether the Bonds shall be issued in one or more series or subseries, the date or dates of the Bonds, any additional or different designation or title by which the Bonds shall be known, the price at which the Bonds will be sold, the years in which the Bonds will mature, the principal amount to mature in each of such years, the rate of interest to be borne by each such maturity, the interest payment and record dates, the price and terms, if any, upon and at which the Bonds shall be subject to redemption prior to maturity at the option of the City, as well as any mandatory sinking fund redemption provisions, whether the Bonds of any series shall be designated as "qualified tax-exempt obligations" as defined in section 265(b)(3) of the Code, approving modifications or additions to the Rule 15c2-12 continuing disclosure undertaking, approving modifications to the term Defeasance Securities, and all other matters relating to the issuance, sale, and delivery of the Bonds, including without limitation procuring municipal bond insurance and approving modifications to this Ordinance and executing such instruments, documents and agreements as may be necessary with respect thereto, if it is determined that such insurance would be financially desirable and advantageous, all of which shall be specified in the Pricing Certificate, provided that:

(i) the maximum original principal amount of Bonds shall not exceed $14,566,000;

(ii) the maximum maturity for any Bonds shall be February 15, 2046; and

(iii) the true interest cost for any series of Bonds shall not exceed 5.50%.

(b) In establishing the aggregate principal amount of the Bonds, the Pricing Officer shall establish an amount not exceeding the amount authorized in Subsection (a) above, which shall be sufficient in amount to provide for the purposes for which the Bonds are authorized and to pay costs of issuing the Bonds. The delegation made hereby shall expire if not exercised by the Pricing Officer on or prior to July 20, 2027. The Pricing Officer may determine to issue one or more series of Bonds and may exercise the authority granted herein on one or more dates to effectuate the issuance of multiple series of Bonds if multiple series are issued and, if multiple series are issued, each separate series may close on separate dates or on the same date, as

determined by the Pricing Officer. The Bonds shall be sold at such prices, with and subject to such terms as set forth in one or more Pricing Certificates.

(c) The Bonds of one or more series may be sold by public offering (either through a negotiated or competitive offering) or by private placement. If the Bonds of one or more series are sold by private placement, the applicable Pricing Certificate shall so state, and the applicable Pricing Certificate may make changes to this Ordinance to effect such private placement of such Bonds, including the provisions hereof that pertain to the book-entry-only procedures (including eliminating the book-entry-only system of registrations, payment and transfers) and to the provisions relating to the Rule 15c2-12 undertaking (including eliminating or replacing such undertaking with an agreement to provide alternative disclosure information).

(d) In satisfaction of Section 1201.022(a)(3)(B), Texas Government Code, the Council hereby determines that the delegation of the authority to the Pricing Officer to approve the final terms of the Bonds set forth in this Ordinance is, and the decisions made by the Pricing Officer pursuant to such delegated authority and incorporated into the Pricing Certificate will be, the most advantageous reasonably available, and the Pricing Officer is hereby authorized to make and include a finding to that effect in the Pricing Certificate.

Section 4. CHARACTERISTICS OF THE BONDS. (a) Registration, Transfer, Conversion and Exchange. The City shall keep or cause to be kept at the designated office of the bank named in the Pricing Certificate as the paying agent/registrar for the Bonds (the "Paying Agent/Registrar"), books or records for the registration of the transfer, conversion and exchange of the Bonds (the "Registration Books"), and the City hereby appoints the Paying Agent/Registrar as its registrar and transfer agent to keep such books or records and make such registrations of transfers, conversions and exchanges under such reasonable regulations as the City and Paying Agent/Registrar may prescribe; and the Paying Agent/Registrar shall make such registrations, transfers, conversions and exchanges as herein provided within three days of presentation in due and proper form. The Paying Agent/Registrar shall obtain and record in the Registration Books the address of the registered owner of each Bond to which payments with respect to the Bonds shall be mailed, as herein provided; but it shall be the duty of each registered owner to notify the Paying Agent/Registrar in writing of the address to which payments shall be mailed, and such interest payments shall not be mailed unless such notice has been given. The City shall have the right to inspect the Registration Books during regular business hours of the Paying Agent/Registrar, but otherwise the Paying Agent/Registrar shall keep the Registration Books confidential and, unless otherwise required by law, shall not permit their inspection by any other entity. The City shall pay the Paying Agent/Registrar's standard or customary fees and charges for making such registration, transfer, conversion, exchange and delivery of a substitute Bond or Bonds. Registration of assignments, transfers, conversions and exchanges of Bonds shall be made in the manner provided and with the effect stated in the FORM OF BOND set forth as **Exhibit A** to this Ordinance. Each substitute Bond shall bear a letter and/or number to distinguish it from each other Bond.

(b) Authentication. Except as provided in subsection (e) of this Section, an authorized representative of the Paying Agent/Registrar shall, before the delivery of any such Bond, date and manually sign said Bond, and no such Bond shall be deemed to be issued or outstanding unless such Bond is so executed. The Paying Agent/Registrar promptly shall cancel all paid Bonds and Bonds surrendered for conversion and exchange. No additional ordinances, orders or resolutions need be passed or adopted by the governing body of the City or any other body or person so as to accomplish the foregoing conversion and exchange of any Bond or portion thereof, and the Paying Agent/Registrar shall provide for the printing, execution and delivery of the substitute Bonds in the manner prescribed herein. Pursuant to Subchapter D of Chapter 1201, the duty of conversion and exchange of Bonds as aforesaid is hereby imposed upon the Paying Agent/Registrar, and, upon the execution of said Bond, the converted and exchanged Bond shall be valid, incontestable, and enforceable in the same manner and with the same effect as the Bonds which initially were issued and delivered pursuant to this Ordinance, approved by the Attorney General and registered by the Comptroller.

(c) Payment of Bonds and Interest. The City hereby further appoints the Paying Agent/Registrar to act as the paying agent for paying the principal of and interest on the Bonds, all as provided in this Ordinance. The Paying Agent/Registrar shall keep proper records of all payments made by the City and the Paying Agent/Registrar with respect to the Bonds, and of all conversions and exchanges of Bonds, and all replacements of Bonds, as provided in this Ordinance. However, 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 registered owner appearing on the Registration Books at the close of business on the last business day next preceding the date of mailing of such notice.

(d) Substitute Paying Agent/Registrar. The City covenants with the registered owners of the Bonds that at all times while the Bonds are outstanding the City will provide a competent and legally qualified bank, trust company, financial institution or other agency to act as and perform the services of Paying Agent/Registrar for the Bonds under this Ordinance, and that the Paying Agent/Registrar will be one entity. The City reserves the right to, and may, at its option, change the Paying Agent/Registrar upon not less than 50 days written notice to the Paying Agent/Registrar, to be effective not later than 45 days prior to the next principal or interest payment date after such notice. In the event that the entity at any time acting as Paying Agent/Registrar (or its successor by merger, acquisition, or other method) should resign or otherwise cease to act as such, the City covenants that promptly it will appoint a competent and legally qualified bank, trust company, financial institution, or other agency to act as Paying Agent/Registrar under this Ordinance. Upon any change in the Paying Agent/Registrar, the previous Paying Agent/Registrar promptly shall transfer and deliver the Registration Books (or a

copy thereof), along with all other pertinent books and records relating to the Bonds, to the new Paying Agent/Registrar designated and appointed by the City. Upon any change in the Paying Agent/Registrar, the City promptly will cause a written notice thereof to be sent by the new Paying Agent/Registrar to each registered owner of the Bonds, by United States mail, first-class postage prepaid, which notice also shall give the address of the new Paying Agent/Registrar. By accepting the position and performing as such, each Paying Agent/Registrar shall be deemed to have agreed to the provisions of this Ordinance, and a certified copy of this Ordinance shall be delivered to each Paying Agent/Registrar.

(e) General Characteristics of the Bonds. The Bonds (i) shall be issued in fully registered form, without interest coupons, with the principal of and interest on such Bonds to be payable only to the Registered Owners thereof, (ii) may be redeemed prior to their scheduled maturities (notice of which shall be given to the Paying Agent/Registrar by the City at least 35 days prior to any such redemption date), (iii) may be transferred and assigned, (iv) may be converted and exchanged for other Bonds, (v) shall have the characteristics, (vi) shall be signed, sealed, executed and authenticated, (vii) the principal of and interest on the Bonds shall be payable, and (viii) shall be administered and the Paying Agent/Registrar and the City shall have certain duties and responsibilities with respect to the Bonds, all as provided, and in the manner and to the effect as required or indicated, in the FORM OF BOND set forth as **Exhibit A** to this Ordinance. The Bonds initially issued and delivered pursuant to this Ordinance are not required to be, and shall not be, authenticated by the Paying Agent/Registrar, but on each substitute Bond issued in conversion of and exchange for any Bond or Bonds issued under this Ordinance the Paying Agent/Registrar shall execute the Paying Agent/registrar's Authentication Certificate, in the FORM OF BOND set forth as **Exhibit A** to this Ordinance.

(f) Book-Entry-Only System. Unless the Bonds are sold by private placement, the Bonds issued in exchange for the Bonds initially issued to the Underwriter shall be initially issued in the form of a separate single fully registered Bond for each of the maturities thereof. Upon initial issuance, the ownership of each such Bond shall be registered in the name of Cede & Co., as nominee of The Depository Trust Company of New York ("DTC"), and except as provided in subsection (g) of this Section, all of the outstanding Bonds shall be registered in the name of Cede & Co., as nominee of DTC.

With respect to Bonds registered in the name of Cede & Co., as nominee of DTC, the City and the Paying Agent/Registrar shall have no responsibility or obligation to any securities brokers and dealers, banks, trust companies, clearing corporations and certain other organizations on whose behalf DTC was created ("DTC Participant") to hold securities to facilitate the clearance and settlement of securities transactions among DTC Participants or to any person on behalf of whom such a DTC Participant holds an interest in the Bonds. Without limiting the immediately preceding sentence, the City and the Paying Agent/Registrar shall have no responsibility or obligation with respect to (i) the accuracy of the records of DTC, Cede & Co. or any DTC Participant with respect to any ownership interest in the Bonds, (ii) the delivery to any DTC Participant or any other person, other than a registered owner of Bonds, as shown on the

Registration Books, of any notice with respect to the Bonds, or (iii) the payment to any DTC Participant or any other person, other than a registered owner of Bonds, as shown in the Registration Books of any amount with respect to principal of or interest on the Bonds. Notwithstanding any other provision of this Ordinance to the contrary, the City and the Paying Agent/Registrar shall be entitled to treat and consider the person in whose name each Bond is registered in the Registration Books as the absolute owner of such Bond for the purpose of payment of principal and interest with respect to such Bond, for the purpose of registering transfers with respect to such Bond, and for all other purposes whatsoever. The Paying Agent/Registrar shall pay all principal of and interest on the Bonds only to or upon the order of the registered owners, as shown in the Registration Books as provided in this Ordinance, or their respective attorneys duly authorized in writing, and all such payments shall be valid and effective to fully satisfy and discharge the City's obligations with respect to payment of principal of and interest on the Bonds to the extent of the sum or sums so paid. No person other than a registered owner, as shown in the Registration Books, shall receive a Bond certificate evidencing the obligation of the City to make payments of principal and interest pursuant to this Ordinance. Upon delivery by DTC to the Paying Agent/Registrar of written notice to the effect that DTC has determined to substitute a new nominee in place of Cede & Co., and subject to the provisions in this Ordinance with respect to interest checks being mailed to the registered owner at the close of business on the Record Date, the words "Cede & Co." in this Ordinance shall refer to such new nominee of DTC.

(g) Successor Securities Depository; Transfers Outside Book-Entry-Only System. If the Bonds are subject to the DTC book-entry system, and in the event that the City determines that DTC is incapable of discharging its responsibilities described herein and in the City's Blanket Issuer Letter of Representations to DTC or that it is in the best interest of the beneficial owners of the Bonds that they be able to obtain certificated Bonds, the City shall (i) appoint a successor securities depository, qualified to act as such under Section 17A of the Securities and Exchange Act of 1934, as amended, notify DTC and DTC Participants of the appointment of such successor securities depository and transfer one or more separate Bonds to such successor securities depository or (ii) notify DTC and DTC Participants of the availability through DTC of Bonds and transfer one or more separate Bonds to DTC Participants having Bonds credited to their DTC accounts. In such event, the Bonds shall no longer be restricted to being registered in the Registration Books in the name of Cede & Co., as nominee of DTC, but may be registered in the name of the successor securities depository, or its nominee, or in whatever name or names registered owners transferring or exchanging Bonds shall designate, in accordance with the provisions of this Ordinance.

(h) Payments to Cede & Co. Notwithstanding any other provision of this Ordinance to the contrary, so long as any Bond is registered in the name of Cede & Co., as nominee of DTC, all payments with respect to principal of and interest on such Bond and all notices with respect to such Bond shall be made and given, respectively, in the manner provided in the City's Blanket Issuer Letter of Representations to DTC.

(i) Cancellation of Initial Bond(s). On the Delivery Date, one initial Bond representing the entire principal amount of the Bonds, payable in stated installments to the order of the Underwriter or its designee, executed by manual or facsimile signature of the Mayor and City Secretary, approved by the Attorney General, and registered and signed by the Comptroller in the manner prescribed by law, will be delivered to the Underwriter or its designee. If the Bonds are sold subject to the book-entry system of DTC, then upon payment for the initial Bond(s), the Paying Agent/Registrar shall insert the Delivery Date on the initial Bond(s), cancel each of the initial Bond(s) and deliver to DTC on behalf of the Underwriter one registered definitive Bond for each year of maturity of the Bonds, in the aggregate principal amount of all of the Bonds for such maturity, registered in the name of Cede & Co., as nominee of DTC. To the extent that the Paying Agent/Registrar is eligible to participate in DTC's FAST System, pursuant to an agreement between the Paying Agent/Registrar and DTC, the Paying Agent/Registrar shall hold the definitive Bonds in safekeeping for DTC.

(j) Conditional Notice of Redemption. With respect to any optional redemption of the Bonds, 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 Bonds to be redeemed shall have been received by the Paying Agent/Registrar prior to the giving of such notice of redemption, such notice may state that said redemption may, at the option of the City, be 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, or upon any prerequisite set forth in such notice of redemption. If a conditional notice of redemption is given and such prerequisites to the redemption and sufficient moneys are not received, such notice shall be of no force and effect, the City shall not redeem such Bonds and the Paying Agent/Registrar shall give notice, in the manner in which the notice of redemption was given, to the effect that the Bonds have not been redeemed.

Section 5. FORM OF BONDS. The form of the Bond, including the form of Paying Agent/Registrar's Authentication Certificate, the form of Assignment and the form of Registration Certificate of the Comptroller of Public Accounts of the State to be attached only to the Bonds initially issued and delivered pursuant to this Ordinance, shall be, respectively, substantially in the form provided in **Exhibit A**, with such appropriate variations, omissions, or insertions as are permitted or required by this Ordinance. The Form of Bond as it appears in **Exhibit A** shall be completed, amended and modified by Bond Counsel to incorporate the information set forth in the Pricing Certificate, but it is not required for the Form of Bond to be reproduced as an exhibit to the Pricing Certificate.

Section 6. TAX LEVY. (a) A special "Interest and Sinking Fund" is hereby created and shall be established and maintained by the City as a separate fund or account and the funds therein shall be deposited into and held at an official depository bank of said City. Said Interest and Sinking Fund shall be kept separate and apart from all other funds and accounts of said City, and shall be used only for paying the interest on and principal of said Bonds. All amounts received from the sale of the Bonds as accrued interest shall be deposited upon receipt to the

Interest and Sinking Fund, and all ad valorem taxes levied and collected for and on account of said Bonds shall be deposited, as collected, to the credit of said Interest and Sinking Fund. During each year while any of said Bonds are outstanding and unpaid, the governing body of said City shall compute and ascertain a rate and amount of ad valorem tax that will be sufficient to raise and produce the money required to pay the interest on said Bonds as such interest comes due, and to provide and maintain a sinking fund adequate to pay the principal of said Bonds as such principal matures (but never less than 2% of the original amount of said Bonds as a sinking fund each year); and said tax shall be based on the latest approved tax rolls of said City, with full allowances being made for tax delinquencies and the cost of tax collection. Said rate and amount of ad valorem tax is hereby levied, and is hereby ordered to be levied, against all taxable property in said City, for each year while any of said Bonds are outstanding and unpaid, and said tax shall be assessed and collected each such year and deposited to the credit of the aforesaid Interest and Sinking Fund. Said ad valorem taxes sufficient to provide for the payment of the interest on and principal of said Bonds, as such interest comes due and such principal matures, are hereby pledged for such payment, within the limit prescribed by law. If lawfully available moneys of the City are actually on deposit in the Interest and Sinking Fund in advance of the time when ad valorem taxes are scheduled to be levied for any year, then the amount of taxes that otherwise would have been required to be levied pursuant to this Section may be reduced to the extent and by the amount of the lawfully available funds then on deposit in the Interest and Sinking Fund.

(b) Chapter 1208 applies to the issuance of the Bonds and the pledge of the taxes granted by the City under this Section, and is therefore valid, effective, and perfected. Should State law be amended at any time while the Bonds are outstanding and unpaid, the result of such amendment being that the pledge of the taxes granted by the City under this Section is to be subject to the filing requirements of Chapter 9, Business and Commerce Code, in order to preserve to the registered owners of the Bonds a security interest in said pledge, the City agrees to take such measures as it determines are reasonable and necessary under State law to comply with the applicable provisions of Chapter 9, Texas Business and Commerce Code and enable a filing of a security interest in said pledge to occur.

Section 7. DEFEASANCE OF BONDS. (a) Any Bond and the interest thereon shall be deemed to be paid, retired, and no longer outstanding (a "Defeased Bond") within the meaning of this Ordinance, except to the extent provided in subsection (d) of this Section, when payment of the principal of such Bond, plus interest thereon to the due date (whether such due date be by reason of maturity or otherwise) either (i) shall have been made or caused to be made in accordance with the terms thereof, or (ii) shall have been provided for on or before such due date by irrevocably depositing with or making available to the Paying Agent/Registrar in accordance with an agreement or other instrument (the "Future Escrow Agreement") for such payment (1) lawful money of the United States of America sufficient to make such payment or (2) Defeasance Securities that mature as to principal and interest in such amounts and at such times as will insure the availability, without reinvestment, of sufficient money to provide for such payment, and when proper arrangements have been made by the City with the Paying

Agent/Registrar for the payment of its services until all Defeased Bonds shall have become due and payable. At such time as a Bond shall be deemed to be a Defeased Bond hereunder, as aforesaid, such Bond and the interest thereon shall no longer be secured by, payable from, or entitled to the benefits of, the ad valorem taxes herein levied and pledged as provided in this Ordinance, and such principal and interest shall be payable solely from such money or Defeasance Securities, and thereafter the City will have no further responsibility with respect to amounts available to the Paying Agent/Registrar (or other financial institution permitted by applicable law) for the payment of such Defeased Bonds, including any insufficiency therein caused by the failure of the Paying Agent/Registrar (or other financial institution permitted by applicable law) to receive payment when due on the Defeasance Securities. Notwithstanding any other provision of this Ordinance to the contrary, it is hereby provided that any determination not to redeem Defeased Bonds that is made in conjunction with the payment arrangements specified in subsections (a)(i) or (ii) of this Section shall not be irrevocable, provided that (1) in the proceedings providing for such payment arrangements, the City expressly reserves the right to call the Defeased Bonds for redemption; (2) gives notice of the reservation of that right to the owners of the Defeased Bonds immediately following the making of the payment arrangements; and (3) directs that notice of the reservation be included in any redemption notices that it authorizes.

(b) Any moneys so deposited with the Paying Agent/Registrar may at the written direction of the City also be invested in Defeasance Securities, maturing in the amounts and times as hereinbefore set forth, and all income from such Defeasance Securities received by the Paying Agent/Registrar that is not required for the payment of the Bonds and interest thereon, with respect to which such money has been so deposited, shall be turned over to the City, or deposited as directed in writing by the City. Any Future Escrow Agreement pursuant to which the money and/or Defeasance Securities are held for the payment of Defeased Bonds may contain provisions permitting the investment or reinvestment of such moneys in Defeasance Securities or the substitution of other Defeasance Securities upon the satisfaction of the requirements specified in subsections (a)(i) or (ii) of this Section. All income from such Defeasance Securities received by the Paying Agent/Registrar which is not required for the payment of the Defeased Bonds, with respect to which such money has been so deposited, shall be remitted to the City or deposited as directed in writing by the City.

(c) The term "Defeasance Securities" means any securities and obligations now or hereafter authorized by State law that are eligible to refund, retire or otherwise discharge obligations such as the Bonds.

(d) Until all Defeased Bonds shall have become due and payable, the Paying Agent/Registrar shall perform the services of Paying Agent/Registrar for such Defeased Bonds the same as if they had not been defeased, and the City shall make proper arrangements to provide and pay for such services as required by this Ordinance.

(e) In the event that the City elects to defease less than all of the principal amount of

Bonds of a maturity, the Paying Agent/Registrar shall select, or cause to be selected, such amount of Bonds by such random method as it deems fair and appropriate.

Section 8. DAMAGED, MUTILATED, LOST, STOLEN, OR DESTROYED BONDS. (a) Replacement Bonds. In the event any outstanding Bond is damaged, mutilated, lost, stolen, or destroyed, the Paying Agent/Registrar shall cause to be printed, executed, and delivered, a new bond of the same principal amount, maturity, and interest rate, as the damaged, mutilated, lost, stolen, or destroyed Bond, in replacement for such Bond in the manner hereinafter provided.

(b) Application for Replacement Bonds. Application for replacement of damaged, mutilated, lost, stolen, or destroyed Bonds shall be made by the registered owner thereof to the Paying Agent/Registrar. In every case of loss, theft, or destruction of a Bond, the registered owner applying for a replacement bond shall furnish to the City and to the Paying Agent/Registrar such security or indemnity as may be required by them to save each of them harmless from any loss or damage with respect thereto. Also, in every case of loss, theft, or destruction of a Bond, the registered owner shall furnish to the City and to the Paying Agent/Registrar evidence to their satisfaction of the loss, theft, or destruction of such Bond. In every case of damage or mutilation of a Bond, the registered owner shall surrender to the Paying Agent/Registrar for cancellation the Bond so damaged or mutilated.

(c) No Default Occurred. Notwithstanding the foregoing provisions of this Section, in the event any such Bond shall have matured, and no default has occurred which is then continuing in the payment of the principal of or interest on the Bond, the City may authorize the payment of the same (without surrender thereof except in the case of a damaged or mutilated Bond) instead of issuing a replacement Bond, provided security or indemnity is furnished as above provided in this Section.

(d) Charge for Issuing Replacement Bonds. Prior to the issuance of any replacement bond, the Paying Agent/Registrar shall charge the registered owner of such Bond with all legal, printing, and other expenses in connection therewith. Every replacement bond issued pursuant to the provisions of this Section by virtue of the fact that any Bond is lost, stolen, or destroyed shall constitute a contractual obligation of the City whether or not the lost, stolen, or destroyed Bond shall be found at any time, or be enforceable by anyone, and shall be entitled to all the benefits of this Ordinance equally and proportionately with any and all other Bonds duly issued under this Ordinance.

(e) Authority for Issuing Replacement Bonds. In accordance with Subchapter B of Chapter 1206, this Section shall constitute authority for the issuance of any such replacement bond without necessity of further action by the governing body of the City or any other body or person, and the duty of the replacement of such bonds is hereby authorized and imposed upon the Paying Agent/Registrar, and the Paying Agent/Registrar shall authenticate and deliver such

Bonds in the form and manner and with the effect, as provided in this Ordinance for Bonds issued in conversion and exchange for other Bonds.

Section 9. CUSTODY, APPROVAL, AND REGISTRATION OF BONDS; BOND COUNSEL'S OPINION; CUSIP NUMBERS AND CONTINGENT INSURANCE PROVISION, IF OBTAINED. The Mayor (or, in the absence of the Mayor, the Mayor Pro Tem) is hereby authorized to have control of the Bonds initially issued and delivered hereunder and all necessary records and proceedings pertaining to the Bonds pending their delivery and their investigation, examination and approval by the Attorney General, and their registration by the Comptroller. Upon registration of the Bonds, the Comptroller (or a deputy designated in writing to act for the Comptroller) shall sign the Comptroller's Registration Certificate attached to such Bonds in the manner prescribed by law, and the seal of the Comptroller shall be impressed, or placed in facsimile, on such Bond. The approving legal opinion of the City's Bond Counsel and the assigned CUSIP numbers may, at the option of the City, be printed on the Bonds issued and delivered under this Ordinance, but neither shall have any legal effect, and shall be solely for the convenience and information of the registered owners of the Bonds. In addition, if bond insurance is obtained, the Bonds may bear an appropriate legend as provided by the insurer.

Section 10. COVENANTS REGARDING TAX EXEMPTION OF INTEREST ON THE BONDS. (a) Covenants. The City covenants to take any action necessary to assure, or refrain from any action which would adversely affect, the treatment of the Bonds as obligations described in section 103 of the Code, the interest on which is not includable in the "gross income" of the holder for purposes of federal income taxation. In furtherance thereof, the City covenants as follows:

(i) to take any action to assure that no more than 10 percent of the proceeds of the Bonds or the projects financed therewith (less amounts deposited to a reserve fund, if any) are used for any "private business use," as defined in section 141(b)(6) of the Code or, if more than 10 percent of the proceeds or the projects financed therewith are so used, such amounts, whether or not received by the City, with respect to such private business use, do not, under the terms of this Ordinance or any underlying arrangement, directly or indirectly, secure or provide for the payment of more than 10 percent of the debt service on the Bonds, in contravention of section 141(b)(2) of the Code;

(ii) to take any action to assure that in the event that the "private business use" described in subsection (1) hereof exceeds 5 percent of the proceeds of the Bonds or the projects financed therewith (less amounts deposited into a reserve fund, if any) then the amount in excess of 5 percent is used for a "private business use" which is "related" and not "disproportionate," within the meaning of section 141(b)(3) of the Code, to the governmental use;

(iii) to take any action to assure that no amount which is greater than the lesser of $5,000,000, or 5 percent of the proceeds of the Bonds (less amounts deposited into a

reserve fund, if any) is directly or indirectly used to finance loans to persons, other than state or local governmental units, in contravention of section 141(c) of the Code;

(iv) to refrain from taking any action which would otherwise result in the Bonds being treated as "private activity bonds" within the meaning of section 141(b) of the Code;

(v) to refrain from taking any action that would result in the Bonds being "federally guaranteed" within the meaning of section 149(b) of the Code;

(vi) to refrain from using any portion of the proceeds of the Bonds, directly or indirectly, to acquire or to replace funds which were used, directly or indirectly, to acquire investment property (as defined in section 148(b)(2) of the Code) which produces a materially higher yield over the term of the Bonds, other than investment property acquired with:

(A) proceeds of the Bonds invested for a reasonable temporary period of 5 years or less or, in the case of a refunding bond, for a period of 90 days or less until such proceeds are needed for the purpose for which the bonds are issued,

(B) amounts invested in a bona fide debt service fund, within the meaning of section l.148 1(b) of the Treasury Regulations, and

(C) amounts deposited in any reasonably required reserve or replacement fund to the extent such amounts do not exceed 10 percent of the proceeds of the Bonds;

(vii) to otherwise restrict the use of the proceeds of the Bonds or amounts treated as proceeds of the Bonds, as may be necessary, so that the Bonds do not otherwise contravene the requirements of section 148 of the Code (relating to arbitrage);

(viii) to refrain from using the proceeds of the Bonds or proceeds of any prior bonds to pay debt service on another issue more than 90 days after the date of issue of the Bonds in contravention of the requirements of section 149(d) of the Code (relating to advance refundings);

(ix) to pay to the United States of America at least once during each five-year period (beginning on the date of delivery of the Bonds) an amount that is at least equal to 90 percent of the "Excess Earnings," within the meaning of section 148(f) of the Code and to pay to the United States of America, not later than 60 days after the Bonds have been paid in full, 100 percent of the amount then required to be paid as a result of Excess Earnings under section 148(f) of the Code; and

(x) to establish reasonable expectations to prevent using the proceeds of the Bonds in contravention of the requirements of section 149(g) of the Code (relating to hedge bonds).

(b) Rebate Fund. In order to facilitate compliance with the above covenant (8), a "Rebate Fund" is hereby established by the City for the sole benefit of the United States of America, and such fund shall not be subject to the claim of any other person, including without limitation the bondholders. The Rebate Fund is established for the additional purpose of compliance with section 148 of the Code.

(c) Use of Proceeds. The City understands that the term "proceeds" includes "disposition proceeds" as defined in the Treasury Regulations and, in the case of refunding bonds, transferred proceeds (if any) and proceeds of the refunded bonds expended prior to the date of issuance of the Bonds. It is the understanding of the City that the covenants contained herein are intended to assure compliance with the Code and any regulations or rulings promulgated by the U.S. Department of the Treasury pursuant thereto. In the event that regulations or rulings are hereafter promulgated which modify or expand provisions of the Code, as applicable to the Bonds, the City will not be required to comply with any covenant contained herein to the extent that such failure to comply, in the opinion of nationally recognized bond counsel, will not adversely affect the exemption from federal income taxation of interest on the Bonds under section 103 of the Code. In the event that regulations or rulings are hereafter promulgated which impose additional requirements which are applicable to the Bonds, the City agrees to comply with the additional requirements to the extent necessary, in the opinion of nationally recognized bond counsel, to preserve the exemption from federal income taxation of interest on the Bonds under section 103 of the Code. In furtherance of such intention, the City hereby authorizes and directs the Authorized Officials to execute any documents, certificates or reports required by the Code and to make such elections, on behalf of the City, which may be permitted by the Code as are consistent with the purpose for the issuance of the Bonds.

(d) Allocation of, and Limitation on, Expenditures for the Projects. The City covenants to account for the expenditure of sale proceeds and investment earnings to be used for the Projects on its books and records in accordance with the requirements of the Code. The City recognizes that in order for the proceeds to be considered used for the reimbursement of costs, the proceeds must be allocated to expenditures within 18 months of the later of the date that (1) the expenditure is made, or (2) the Projects are completed; but in no event later than three years after the date on which the original expenditure is paid. The foregoing notwithstanding, the City recognizes that in order for proceeds to be expended under the Code, the sale proceeds or investment earnings must be expended no more than 60 days after the earlier of (1) the fifth anniversary of the Delivery Date, or (2) the date the Bonds are retired. The City agrees to obtain the advice of nationally-recognized bond counsel if such expenditure fails to comply with the foregoing to assure that such expenditure will not adversely affect the tax-exempt status of the Bonds. For purposes hereof, the City shall not be obligated to comply with this covenant if it obtains an opinion that such failure to comply will not adversely affect the excludability for federal income tax purposes from gross income of the interest.

(e) Disposition of the Projects. The City covenants that the property constituting the Projects will not be sold or otherwise disposed in a transaction resulting in the receipt by the City of cash or other compensation, unless any action taken in connection with such disposition will not adversely affect the tax-exempt status of the Bonds. For purpose of the foregoing, the City may rely on an opinion of nationally-recognized bond counsel that the action taken in connection with such sale or other disposition will not adversely affect the tax-exempt status of the Bonds. For purposes of the foregoing, the portion of the property comprising personal property and

disposed in the ordinary course shall not be treated as a transaction resulting in the receipt of cash or other compensation. For purposes hereof, the City shall not be obligated to comply with this covenant if it obtains an opinion that such failure to comply will not adversely affect the excludability for federal income tax purposes from gross income of the interest.

Section 11. SALE OF BONDS; OFFICIAL STATEMENT. (a) The Bonds shall be sold and delivered subject to the provisions hereof and pursuant to the terms and provisions of a Purchase Contract, which the Pricing Officer is hereby authorized to execute and deliver and in which the Underwriter shall be designated. The Bonds shall initially be registered in the name of the Underwriter, unless otherwise set forth in the Pricing Certificate.

(b) The Pricing Officer is hereby authorized, in the name and on behalf of the City, to approve the distribution and delivery of a preliminary official statement and a final official statement relating to the Bonds to be used by the Underwriter in the marketing of the Bonds, if applicable.

Section 12. FURTHER PROCEDURES; ENGAGEMENT OF BOND COUNSEL; ATTORNEY GENERAL FILING FEE; APPROPRIATION. (a) The Authorized Officials, individually or jointly, shall be and they 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 under the corporate seal and on behalf of the City such documents, certificates and instruments, whether or not herein mentioned, as may be necessary or desirable in order to carry out the terms and provisions of this Ordinance, the Letter of Representations, the Bonds and the sale of the Bonds. In addition, prior to the delivery of the Bonds, the Authorized Officials 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 this Ordinance or such other document, or (ii) as requested by the Attorney General or his representative to obtain the approval of the Bonds by the Attorney General. In case any officer whose signature shall appear on any Bond shall cease to be such officer before the delivery of such Bond, such signature shall nevertheless be valid and sufficient for all purposes the same as if such officer had remained in office until such delivery.

(b) The obligation of the Underwriter to accept delivery of the Bonds is subject to the Underwriter being furnished with the final, approving opinion of McCall, Parkhurst & Horton L.L.P., bond counsel to the City, which opinion shall be dated as of and delivered on the Delivery Date. The engagement of such firm as bond counsel to the City in connection with issuance, sale and delivery of the Bonds is hereby approved and confirmed.

(c) To pay the debt service coming due on the Bonds, if any (as determined by the Pricing Certificate) prior to receipt of the taxes levied to pay such debt service, there is hereby appropriated from current funds on hand, which are hereby certified to be on hand and available for such purpose, an amount sufficient to pay such debt service, and such amount shall be used for no other purpose.

(d) In accordance with the provisions of Section 1202.004, Texas Government Code, in connection with the submission of the Bonds to the Attorney General for review and approval, a statutory fee (an amount equal to 0.1% principal amount of the Bonds, subject to a minimum of

$750 and a maximum of $9,500) is required to be paid to the Attorney General upon the submission of the transcript of proceedings for the Bonds. The City hereby authorizes and directs that a check in the amount of the Attorney General filing fee for the Bonds, made payable to the "Texas Attorney General," be promptly furnished to the City's Bond Counsel, for payment to the Attorney General in connection with his review of the Bonds.

Section 13. COMPLIANCE WITH RULE 15c2-12. (a) If the Bonds are sold by public offering, and are subject to the Rule (as defined below), the following provisions shall apply, unless modified by the Pricing Officer in the Pricing Certificate:

(i) 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) a guarantee of the foregoing (a) and (b). The term Financial Obligation does not include any municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

"MSRB" means the Municipal Securities Rulemaking Board or any successor to its functions under the Rule.

"Rule" means SEC Rule 15c2 12, as amended from time to time.

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

(ii) Annual Reports. (A) The City shall provide annually to the MSRB, within the timeframe set forth in the Pricing Certificate, in the electronic format prescribed by the MSRB, certain updated financial information and operating data pertaining to the City, being the information described in the Pricing Certificate.

(B) Any financial information described in the Pricing Certificate to be provided shall be (i) prepared in accordance with the accounting principles described in the financial statements of the City appended 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 (ii) audited, if the City commissions an audit of such statements and the audit is completed within the period during which they must be provided. If the audit of such financial statements is not completed within the period set forth in the Pricing Certificate, then the City shall provide unaudited financial information of the type described in the Pricing Certificate within such period, and audited financial statements for the applicable fiscal year to the MSRB, when and if the audit report on such statements becomes available.

(C) 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.

(D) All financial information, operating data, financial statements and notices required by this Section to be provided to the MSRB shall be provided in an electronic format and be accompanied by identifying information prescribed by the MSRB. 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 (including an official statement or other offering document) available to the public on the MSRB's Internet Web site or filed with the SEC.

(iii) Event Notices. The City shall notify the MSRB, in a timely manner not in excess of ten business days after the occurrence of the event, of any of the following events with respect to the Bonds:

(1) Principal and interest payment delinquencies;
(2) Non-payment related defaults, if material;
(3) Unscheduled draws on debt service reserves reflecting financial difficulties;
(4) Unscheduled draws on credit enhancements reflecting financial difficulties;
(5) Substitution of credit or liquidity providers, or their failure to perform;
(6) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB), or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;
(7) Modifications to rights of holders of the Bonds, if material;
(8) Bond calls, if material, and tender offers;
(9) Defeasances;
(10) Release, substitution, or sale of property securing repayment of the Bonds, if material;
(11) Rating changes;
(12) Bankruptcy, insolvency, receivership, or similar event of the City;
(13) The consummation of a merger, consolidation, or acquisition involving the City or the sale of all or substantially all of the assets of the City, 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; and
(14) Appointment of a successor or additional paying agent/registrar or the change of name of a paying agent/registrar, 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 paragraph (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 of the City 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 (15) and (16) and the definition of Financial Obligation in this Section to have the same meanings as when they are used in the Rule, as evidenced by 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 (a)(ii) of this Section by the time required by subsection (a)(ii).

(iv) Limitations, Disclaimers and Amendments. (A) 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 Bonds within the meaning of the Rule, except that the City in any event will give notice of any deposit made in accordance with this Ordinance or applicable law that causes the Bonds no longer to be outstanding.

(B) The provisions of this Section are for the sole benefit of the registered owners and beneficial owners of the Bonds, and nothing in this Section, express or implied, shall give any benefit or any legal or equitable right, remedy, or claim hereunder to any other person. The 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 Bonds at any future date.

(C) UNDER NO CIRCUMSTANCES SHALL THE CITY BE LIABLE TO THE REGISTERED OWNER OR BENEFICIAL OWNER OF ANY BOND OR ANY OTHER PERSON, IN CONTRACT OR TORT, FOR DAMAGES RESULTING IN WHOLE OR IN PART FROM ANY BREACH BY THE CITY, WHETHER NEGLIGENT OR WITHOUT FAULT ON ITS PART, OF ANY COVENANT SPECIFIED IN THIS SECTION, BUT EVERY RIGHT AND REMEDY OF ANY SUCH PERSON, IN CONTRACT OR TORT, FOR OR ON ACCOUNT OF ANY SUCH BREACH SHALL BE LIMITED TO AN ACTION FOR MANDAMUS OR SPECIFIC PERFORMANCE.

(D) No default by the City in observing or performing its obligations under this Section shall comprise a breach of or default under the 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.

(E) The provisions of this Section may be amended by the City from time to time to adapt to changed circumstances that arise from a change in legal requirements, a change in law, or a change in the identity, nature, status, or type of operations of the City, but only if (1) the provisions of this Section, as so amended, would have permitted an underwriter to purchase or sell Bonds in the primary offering of the Bonds in compliance with the Rule, taking into account any amendments or interpretations of the Rule since such offering as well as such changed circumstances and (2) either (a) the registered owners 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 Bonds consent to such amendment or (b) a person that is unaffiliated with the City (such as nationally recognized bond counsel) determined that such amendment will not materially impair the interest of the registered owners and beneficial owners of the Bonds. If the City so amends the provisions of this Section, it shall include with any amended financial information or operating data next provided in accordance with subsection (b) of this Section an explanation, in narrative form, of the reason for the amendment and of the impact of any change in the type of financial information or operating data so provided. The City may also amend or repeal the provisions of this continuing disclosure agreement if the SEC amends or repeals the applicable provision of the Rule or a court of final jurisdiction enters judgment that such provisions of the Rule are invalid, but only if and to the extent that the provisions of this sentence would not prevent an underwriter from lawfully purchasing or selling Bonds in the primary offering of the Bonds.

(b) If the Bonds are sold by private placement, the Pricing Officer may agree to provide for an undertaking in accordance with the Rule or may agree to provide other public information to the Underwriter as may be necessary for the sale of the Bonds on the most favorable terms to the City.

Section 14. METHOD OF AMENDMENT. The City hereby reserves the right to amend this Ordinance subject to the following terms and conditions, to-wit:

(a) The City may from time to time, without the consent of any Registered Owner, except as otherwise required by paragraph (b) below, amend or supplement this Ordinance to (i) cure any ambiguity, defect or omission in this Ordinance that does not materially adversely affect the interests of the Registered Owners, (ii) grant additional rights or security for the benefit of the Registered Owners, (iii) add events of default as shall not be inconsistent with the provisions of this Ordinance and that shall not materially adversely affect the interests of the Registered Owners, (v) qualify this Ordinance under the Trust Indenture Act of 1939, as amended, or corresponding provisions of federal laws from time to time in effect, or (iv) make such other provisions in regard to matters or questions arising under this Ordinance as shall not be materially inconsistent with the provisions of this Ordinance and that shall not, in the opinion of nationally-recognized bond counsel, materially adversely affect the interests of the Registered Owners.

(b) Except as provided in paragraph (a) above, the holders of Bonds aggregating in a majority of the principal amount of then outstanding Bonds that are the subject of a proposed amendment shall have the right from time to time to approve any amendment hereto that may be deemed necessary or desirable by the City; provided, however, that without the consent of 100% of the Registered Owners in aggregate principal amount of the then outstanding Bonds, nothing herein contained shall permit or be construed to permit amendment of the terms and conditions of this Ordinance or in any of the Bonds so as to:

(1) Make any change in the maturity of any of the outstanding Bonds;

(2) Reduce the rate of interest borne by any of the outstanding Bonds;

(3) Reduce the amount of the principal of, or redemption premium, if any, payable on any outstanding Bonds;

(4) Modify the terms of payment of principal or of interest or redemption premium on outstanding Bonds or any of them or impose any condition with respect to such payment; or

(5) Change the minimum percentage of the principal amount of the Bonds necessary for consent to such amendment.

(c) If at any time the City shall desire to amend this Ordinance under this Section, the City shall send by U.S. mail to each registered owner of the affected Bonds a copy of the proposed amendment.

(d) Whenever at any time within one year from the date of mailing of such notice the City shall receive an instrument or instruments executed by the Registered Owners of at least a majority in aggregate principal amount of all of the Bonds then outstanding that are required for the amendment (or 100% if such amendment is made in accordance with paragraph (b)), which instrument or instruments shall refer to the proposed amendment and which shall specifically consent to and approve such amendment, the City may adopt the amendment in substantially the same form.

(e) Upon the adoption of any amendatory Ordinance pursuant to the provisions of this Section, this Ordinance shall be deemed to be modified and amended in accordance with such amendatory Ordinance, and the respective rights, duties, and obligations of the City and all Registered Owners of such affected Bonds shall thereafter be determined, exercised, and enforced, subject in all respects to such amendment.

(f) Any consent given by the Registered Owner of a Bond pursuant to the provisions of this Section shall be irrevocable for a period of six months from the date of such consent and shall be conclusive and binding upon all future Registered Owners of the same Bond during such period. Such consent may be revoked at any time after six months from the date of said consent by the Registered Owner who gave such consent, or by a successor in title, by filing notice with the City, but such revocation shall not be effective if the Registered Owners the required amount of the affected Bonds then outstanding, have, prior to the attempted revocation, consented to and approved the amendment.

(g) For the purposes of establishing ownership of the Bonds, the City shall rely solely upon the registration of the ownership of such Bonds on the Registration Books kept by the Paying Agent/Registrar.

Section 15. INTEREST EARNINGS ON BOND PROCEEDS; USE OF PREMIUM RECEIVED FROM SALE OF BONDS. (a) Interest Earnings. Interest earnings derived from the proceeds that are deposited to the Capital Projects Fund (defined below) shall be retained therein and used for the purposes for which the Bonds were issued, provided that after the completion of such purposes, any amounts remaining therein shall be deposited to the Interest and Sinking Fund for the Bonds. It is further provided, however, that any interest earnings on bond proceeds that are required to be rebated to the United States of America pursuant to this Ordinance in order to prevent the Bonds from being arbitrage bonds shall be so rebated and not considered as interest earnings for purposes of this Section.

(b) Use of Bond Premium. The net premium received from the sale of the Bonds shall be applied as determined by the Pricing Officer in the Pricing Certificate.

(c) Use of Bond Proceeds.

(i) The City has heretofore created and established, and hereby covenants to continue to maintain on the books of the City, a separate fund entitled the "Capital Projects Fund" (the "Capital Projects Fund") for use by the City for payment of all lawful costs associated with the Projects. Proceeds of the Bonds in the amount determined by the Pricing Officer in the Pricing Certificate shall be deposited into the Capital Projects Fund. In addition, the amount to be applied against each bond proposition shall be determined by the Pricing Officer in the Pricing Certificate, and the table in the preambles hereto shall be reproduced in the Pricing Certificate to reflect such determination. Upon payment of all Project costs, any Bond proceeds remaining on deposit in the Capital Projects Fund shall be transferred to the Interest and Sinking Fund. Amounts so deposited to the Interest and Sinking Fund shall be used in the manner described in this Ordinance.

(ii) The City may place proceeds of the Bonds (including investment earnings thereon) and amounts deposited into the Interest and Sinking Fund in investments authorized by the Public Funds Investment Act, Chapter 2256, Texas Government Code, as amended; provided, however, that the City hereby covenants that the proceeds of the sale of the Bonds will be used as soon as practicable for the Projects.

(iii) All deposits authorized or required by this Ordinance shall be secured to the fullest extent required by law for the security of public funds.

Section 16. GOVERNING LAW. This Ordinance shall be construed and enforced in accordance with the laws of the State and the United States of America.

Section 17. 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 this governing body hereby declares that this Ordinance would have been enacted without such invalid provision.

Section 18. EVENTS OF DEFAULT. Each of the following occurrences or events for the purpose of this Ordinance is hereby declared to be an event of default (an "Event of Default"):

(i) the failure to make payment of the principal of or interest on any of the Bonds when the same becomes due and payable; or

(ii) default in the performance or observance of any other covenant, agreement or obligation of the City, the failure to perform which materially, adversely affects the rights of the Registered Owners, including, but not limited to, their prospect or ability to be repaid in accordance with this Ordinance, and the continuation thereof for a period of 60 days after notice of such default is given by any Registered Owner to the City.

Section 19. REMEDIES FOR DEFAULT. (a) Upon the happening of any Event of Default, then and in every case, any Owner or an authorized representative thereof, including, but not limited to, a trustee or trustees therefor, may proceed against the City for the purpose of protecting and enforcing the rights of the Owners under this Ordinance, by mandamus or other suit, action or special proceeding in equity or at law, in any court of competent jurisdiction, for any relief permitted by law, including the specific performance of any covenant or agreement contained herein, or thereby to enjoin any act or thing that may be unlawful or in violation of any right of the Owners hereunder or any combination of such remedies.

(b) It is provided that all such proceedings shall be instituted and maintained for the equal benefit of all Owners of Bonds then outstanding.

Section 20. REMEDIES NOT EXCLUSIVE. (a) No remedy herein conferred or reserved is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given hereunder or under the Bonds or now or hereafter existing at law or in equity; provided, however, that notwithstanding any other provision of this Ordinance, the right to accelerate the debt evidenced by the Bonds shall not be available as a remedy under this Ordinance.

(b) The exercise of any remedy herein conferred or reserved shall not be deemed a waiver of any other available remedy.

(c) By accepting the delivery of a Bond authorized under this Ordinance, such Owner agrees that the certifications required to effectuate any covenants or representations contained in this Ordinance do not and shall never constitute or give rise to a personal or pecuniary liability or charge against the officers, employees or officials of the City or the Council.

Section 21. EFFECTIVE DATE. In accordance with the provisions of Texas Government Code, Section 1201.028, this Ordinance shall be effective immediately upon its adoption by the Council.

Exhibit A

FORM OF BOND

(a) The form of the Bond, including the form of Paying Agent/Registrar's Authentication Certificate, the form of Assignment and the form of Registration Certificate of the Comptroller of Public Accounts of the State of Texas to be attached only to the Bonds initially issued and delivered pursuant to this Ordinance, shall be, respectively, substantially as follows, with such appropriate variations, omissions, or insertions as are permitted or required by this Ordinance and with the Bonds to be completed with information set forth in the Pricing Certificate. The Form of Bond as it appears in this **Exhibit A** shall be completed, amended and modified by Bond Counsel to incorporate the information set forth in the Pricing Certificate, but it is not required for the Form of Bond to be reproduced as an exhibit to the Pricing Certificate.

NO. R-__

UNITED STATES OF AMERICA
STATE OF TEXAS

PRINCIPAL AMOUNT
$_____

CITY OF ROWLETT, TEXAS
GENERAL OBLIGATION BOND, SERIES 2026

Interest Rate	Delivery Date	Maturity Date	CUSIP No.
_____%	_____, 2026	February 15, 20__	

REGISTERED OWNER:

PRINCIPAL AMOUNT:

ON THE MATURITY DATE specified above, the City of Rowlett, in Dallas and Rockwall Counties, Texas (the "City"), being a political subdivision and municipal corporation of the State of Texas, hereby promises to pay to the Registered Owner specified above, or registered assigns (hereinafter called the "Registered Owner"), on the Maturity Date specified above, the Principal Amount specified above. The City promises to pay interest on the unpaid principal amount hereof (calculated on the basis of a 360-day year of twelve 30-day months) from the Delivery Date specified above at the Interest Rate per annum specified above. Interest is payable on [February 15, 2027 and semiannually on each August 15 and February 15] thereafter to the Maturity Date specified above, or the date of redemption prior to maturity; except, if this Bond is required to be authenticated and the date of its authentication is later than the first Record Date (hereinafter defined), such Principal Amount shall bear interest from the interest payment date next preceding the date of authentication, unless such date of authentication is after any Record Date but on or before the next following interest payment date, in which case such principal amount shall bear interest from such next following interest payment date; provided, however, that if on the date of authentication hereof the interest on the Bond or Bonds, if any, for which this Bond is being exchanged is due but has not been paid, then

this Bond shall bear interest from the date to which such interest has been paid in full.

THE PRINCIPAL OF AND INTEREST ON this Bond are payable in lawful money of the United States of America, without exchange or collection charges. The principal of this Bond shall be paid to the registered owner hereof upon presentation and surrender of this Bond at maturity, or upon the date fixed for its redemption prior to maturity, at the principal corporate trust office of U.S. Bank Trust Company, National Association, Dallas, Texas, which is the "Paying Agent/Registrar" for this Bond. The payment of interest on this Bond shall be made by the Paying Agent/Registrar to the registered owner hereof on each interest payment date by check or draft, dated as of such interest payment date, drawn by the Paying Agent/Registrar on, and payable solely from, funds of the City required by the ordinance authorizing the issuance of this Bond (the "Bond Ordinance") to be on deposit with the Paying Agent/Registrar for such purpose as hereinafter provided; and such check or draft shall be sent by the Paying Agent/Registrar by United States mail, first-class postage prepaid, on each such interest payment date, to the registered owner hereof, at its address as it appeared on the last business day of the month preceding each such date (the "Record Date") on the Registration Books kept by the Paying Agent/Registrar, as hereinafter described. In addition, interest may be paid by such other method, acceptable to the Paying Agent/Registrar, requested by, and at the risk and expense of, the registered owner. In the event of a non-payment of interest on a scheduled payment date, and for 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 business days prior to the Special Record Date by United States mail, first-class postage prepaid, to the address of each owner of a Bond appearing on the Registration Books at the close of business on the last business day next preceding the date of mailing of such notice.

ANY ACCRUED INTEREST due at maturity or upon the redemption of this Bond prior to maturity as provided herein shall be paid to the registered owner upon presentation and surrender of this Bond for redemption and payment at the principal corporate trust office of the Paying Agent/Registrar. The City covenants with the registered owner of this Bond that on or before each principal payment date, interest payment date, and accrued interest payment date for this Bond it will make available to the Paying Agent/Registrar, from the "Interest and Sinking Fund" created by the Bond Ordinance, the amounts required to provide for the payment, in immediately available funds, of all principal of and interest on the Bonds, when due.

IF THE DATE for the payment of the principal of or interest on this Bond shall be a Saturday, Sunday, a legal holiday or a day on which banking institutions in the city where the principal corporate trust 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 that is not such a Saturday, Sunday, legal holiday or day on which banking institutions are authorized to close; and payment on such date shall have the same force and effect as if made on the original date payment was due.

THIS BOND is dated _____, 2026, authorized in accordance with the Constitution and

laws of the State of Texas in the principal amount of $_____ for the public purposes of (i) paying the costs of the Projects (as defined in the Bond Ordinance); and (ii) paying the costs incurred in connection with the issuance of the Bonds.

ON FEBRUARY 15, 20__ or any date thereafter, the Bonds may be redeemed prior to their scheduled maturities, at the option of the City, with funds derived from any available and lawful source, as a whole, or in part, and, if in part, the particular Bonds, or portions thereof, to be redeemed shall be selected and designated by the City (provided that a portion of a Bond may be redeemed only in an integral multiple of $5,000), at a redemption price equal to the principal amount to be redeemed plus accrued interest to the date fixed for redemption.

IN ADDITION TO THE FOREGOING OPTIONAL REDEMPTION, the Bonds scheduled to mature on February 15 in each of the years 20__ and 20__ (the "Term Bonds") are subject to scheduled mandatory redemption by the Paying Agent/Registrar by lot, or by any other customary method that results in a random selection, at a price equal to the principal amount thereof, plus accrued interest to the redemption date, out of moneys available for such purpose in the interest and sinking fund for the Bonds, on the dates and in the respective principal amounts, set forth in the following schedule:

Term Bond Maturity: February 15, 20__		Term Bond Maturity: February 15, 20__	
Mandatory Redemption Date	Principal Amount	Mandatory Redemption Date	Principal Amount
February 15, 20__		February 15, 20__	
February 15, 20__		February 15, 20__	
February 15, 20__		February 15, 20__	
February 15, 20__		February 15, 20__	
February 15, 20__*		February 15, 20__*	

* Stated maturity.

The principal amount of Term Bonds required to be redeemed on any mandatory redemption date pursuant to the operation of the mandatory sinking fund redemption provisions shall be reduced, at the option of the City, by the principal amount of any Term Bonds which, at least 45 days prior to a mandatory redemption date (1) shall have been acquired by the City at a price not exceeding the principal amount of such Term Bonds plus accrued interest to the date of purchase thereof, and delivered to the Paying Agent/Registrar for cancellation, (2) shall have been purchased and canceled by the Paying Agent/Registrar at the request of the City at a price not exceeding the principal amount of such Term Bonds plus accrued interest to the date of purchase, or (3) shall have been redeemed pursuant to the optional redemption provisions and not theretofore credited against a mandatory redemption requirement.

AT LEAST 30 days prior to the date fixed for any redemption of Bonds or portions

thereof prior to maturity a written notice of such redemption shall be sent by the Paying Agent/Registrar by United States mail, first-class postage prepaid to the registered owner of each Bond to be redeemed at its address as it appeared on the registration books of the Paying Agent/Registrar at the close of business on the business day next preceding the date of mailing such notice; provided, however, that the failure of the registered owner to receive such notice, or any defect therein or in the sending or mailing thereof, shall not affect the validity or effectiveness of the proceedings for the redemption of any Bond. By the date fixed for any such redemption due provision shall be made with the Paying Agent/Registrar for the payment of the required redemption price for the Bonds or portions thereof that are to be so redeemed. If such written notice of redemption is sent and if due provision for such payment is made, all as provided above, the Bonds or portions thereof that are to be so redeemed thereby automatically shall be treated as redeemed prior to their scheduled maturities, and they shall not bear interest after the date fixed for redemption, and they shall not be regarded as being outstanding except for the right of the registered owner to receive the redemption price from the Paying Agent/Registrar out of the funds provided for such payment. If a portion of any Bond shall be redeemed, a substitute Bond or Bonds having the same maturity date, bearing interest at the same rate, in any denomination or denominations in any integral multiple of $5,000, at the written request of the registered owner, and in aggregate principal amount equal to the unredeemed portion thereof, will be issued to the registered owner upon the surrender thereof for cancellation, at the expense of the City, all as provided in the Bond Ordinance.

WITH RESPECT TO ANY OPTIONAL REDEMPTION OF THE BONDS, unless certain prerequisites to such redemption required by the Bond Ordinance have been met and money sufficient to pay the principal of and premium, if any, and interest on the Bonds to be redeemed will have been received by the Paying Agent/Registrar prior to the giving of such notice of redemption, such notice may state that said redemption may, at the option of the City, be conditional upon the satisfaction of such prerequisites and receipt of such money by the Paying Agent/Registrar on or prior to the date fixed for such redemption or upon any prerequisite set forth in such notice of redemption. If a conditional notice of redemption is given and such prerequisites to the redemption are not fulfilled, such notice will be of no force and effect, the City will not redeem such Bonds, and the Paying Agent/Registrar will give notice in the manner in which the notice of redemption was given, to the effect that such Bonds have not been redeemed.

ALL BONDS OF THIS SERIES are issuable solely as fully registered bonds, without interest coupons, in the denomination of any integral multiple of $5,000. As provided in the Bond Ordinance, this Bond may, at the request of the registered owner or the assignee or assignees hereof, be assigned, transferred, converted into and exchanged for a like aggregate principal amount of fully registered Bonds, without interest coupons, payable to the appropriate registered owner, assignee or assignees, as the case may be, having the same denomination or denominations in any integral multiple of $5,000 as requested in writing by the appropriate registered owner, assignee or assignees, as the case may be, upon surrender of this Bond to the Paying Agent/Registrar for cancellation, all in accordance with the form and procedures set forth in the Bond Ordinance. Among other requirements for such assignment and transfer, this Bond must be presented and surrendered to the Paying Agent/Registrar, together with proper instruments of assignment, in form and with guarantee of signatures satisfactory to the Paying

Agent/Registrar, evidencing assignment of this Bond or any portion or portions hereof in any integral multiple of $5,000 to the assignee or assignees in whose name or names this Bond or any such portion or portions hereof is or are to be registered. The form of Assignment printed or endorsed on this Bond may be executed by the registered owner to evidence the assignment hereof, but such method is not exclusive, and other instruments of assignment satisfactory to the Paying Agent/Registrar may be used to evidence the assignment of this Bond or any portion or portions hereof from time to time by the registered owner. The Paying Agent/Registrar's reasonable standard or customary fees and charges for assigning, transferring, converting and exchanging any Bond or portion thereof will be paid by the City. In any circumstance, any taxes or governmental charges required to be paid with respect thereto shall be paid by the one requesting such assignment, transfer, conversion or exchange, as a condition precedent to the exercise of such privilege. The Paying Agent/Registrar shall not be required to make any such transfer, conversion or exchange of any Bonds during the period commencing with the close of business on any Record Date and ending with the opening of business on the next following principal or interest payment date or, with respect to any Bond or any portion thereof called for redemption prior to maturity, within 45 days prior to its redemption date.

IN THE EVENT any Paying Agent/Registrar for the Bonds is changed by the City, resigns, or otherwise ceases to act as such, the City has covenanted in the Bond Ordinance that it promptly will appoint a competent and legally qualified substitute therefor, and cause written notice thereof to be mailed to the registered owners of the Bonds.

IT IS HEREBY certified, recited and covenanted that this Bond has been duly and validly authorized, issued and delivered; that all acts, conditions and things required or proper to be performed, exist and be done precedent to or in the authorization, issuance and delivery of this Bond have been performed, existed and been done in accordance with law; and that annual ad valorem taxes sufficient to provide for the payment of the interest on and principal of this Bond, as such interest comes due and such principal matures, have been levied and ordered to be levied against all taxable property in said City, and have been pledged for such payment, within the limit prescribed by law.

THE CITY HAS RESERVED THE RIGHT to amend the Bond Ordinance as provided therein, and under some (but not all) circumstances amendments thereto must be approved by the registered owners of a majority in aggregate principal amount of the outstanding Bonds.

BY BECOMING the registered owner of this Bond, the registered owner thereby acknowledges all of the terms and provisions of the Bond Ordinance, agrees to be bound by such terms and provisions, acknowledges that the Bond Ordinance is duly recorded and available for inspection in the official minutes and records of the governing body of the City, and agrees that the terms and provisions of this Bond and the Bond Ordinance constitute a contract between each registered owner hereof and the City.

IN WITNESS WHEREOF, the City has caused this Bond to be signed with the manual or facsimile signature of the Mayor of the City and countersigned with the manual or facsimile signature of the City Secretary of the City and has caused the official seal of the City to be duly impressed, or placed in facsimile, on this Bond.

City Secretary
City of Rowlett, Texas

Mayor
City of Rowlett, Texas

(City Seal)

PAYING AGENT/REGISTRAR'S AUTHENTICATION CERTIFICATE
(To be executed if this Bond is not accompanied by an executed Registration Certificate of the Comptroller of Public Accounts of the State of Texas)

It is hereby certified that this Bond has been issued under the provisions of the Bond Ordinance described in the text of this Bond; and that this Bond has been issued in conversion or replacement of, or in exchange for, a Bond, Bonds, or a portion of a Bond or Bonds of a series that originally was approved by the Attorney General of the State of Texas and registered by the Comptroller of Public Accounts of the State of Texas.

Dated: _____.

U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION, Dallas, Texas
Paying Agent/Registrar

By: _____
Authorized Representative

ASSIGNMENT

For value received, the undersigned hereby sells, assigns and transfers unto:

_____
Please insert Social Security or Taxpayer Identification Number of Transferee

_____
Please print or type name and address, including zip code of Transferee

the within Bond and all rights thereunder, and hereby irrevocably constitutes and appoints: _____, attorney, to register the transfer of the within Bond on the books kept for registration thereof, with full power of substitution in the premises.

Dated: _____.

Signature Guaranteed:

NOTICE: Signature(s) must be guaranteed by an eligible guarantor institution participating

NOTICE: The signature above must correspond with the name of the registered

in a securities transfer association recognized signature guarantee program.	owner as it appears upon the front of this Bond in every particular, without alteration or enlargement or any change whatsoever.

COMPTROLLER'S REGISTRATION CERTIFICATE: REGISTER NO. _____

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

Witness my signature and seal this _____.

_____
Comptroller of Public Accounts
of the State of Texas

(COMPTROLLER'S SEAL)

(e) Initial Bond Insertions.

(i) The initial Bond shall be in the form set forth is paragraph (a) of this Section, except that:

A. immediately under the name of the Bond, the headings "Interest Rate" and "Maturity Date" shall both be completed with the words "As shown below" and "CUSIP No. _____" shall be deleted.

B. the first paragraph shall be deleted and the following will be inserted:

"THE CITY OF ROWLETT, TEXAS, in Dallas and Rockwall Counties, Texas (the "City"), being a political subdivision and municipal corporation of the State of Texas, hereby promises to pay to the Registered Owner specified above, or registered assigns (hereinafter called the "Registered Owner"), on February 15 in each of the years, in the principal installments and bearing interest at the per annum rates set forth in the following schedule:

Maturity Date	Principal Amount	Interest Rate
2027		
2028		
2029		
2030		
2031		
2032		
2033		
2034		

2035
2036
2037
2038
2039
2040
2041
2042
2043
2044
2045
2046

The City promises to pay interest on the unpaid principal amount hereof (calculated on the basis of a 360-day year of twelve 30-day months) from the Delivery Date specified above at the respective Interest Rate per annum specified above. Interest is payable on [February 15, 2027, and semiannually on each August 15 and February 15] thereafter to the date of payment of the principal installment specified above, or the date of redemption prior to maturity; except, that if this Bond is required to be authenticated and the date of its authentication is later than the first Record Date (hereinafter defined), such Principal Amount shall bear interest from the interest payment date next preceding the date of authentication, unless such date of authentication is after any Record Date but on or before the next following interest payment date, in which case such principal amount shall bear interest from such next following interest payment date; provided, however, that if on the date of authentication hereof the interest on the Bond or Bonds, if any, for which this Bond is being exchanged is due but has not been paid, then this Bond shall bear interest from the date to which such interest has been paid in full."

C. The Initial Bond shall be numbered "T-1."

ORDINANCE AUTHORIZING THE ISSUANCE OF CITY OF ROWLETT, TEXAS, COMBINATION TAX AND LIMITED SURPLUS REVENUE CERTIFICATES OF OBLIGATION, SERIES 2026; ESTABLISHING SALE PARAMETERS; PROVIDING FOR THE SECURITY FOR AND PAYMENT OF SAID CERTIFICATES; AND ENACTING OTHER PROVISIONS RELATING TO THE SUBJECT

THE STATE OF TEXAS §
DALLAS AND ROCKWALL COUNTIES §
CITY OF ROWLETT §

WHEREAS, the City Council (the "Council") of the City of Rowlett, Texas (the "City"), deems it advisable to issue Certificates of Obligation in an amount up to $5,150,000 for the purposes hereinafter set forth; and

WHEREAS, the Certificates of Obligation hereinafter authorized and designated are to be issued and delivered for cash pursuant to Subchapter C of Chapter 271, Subchapter B of Chapter 1502 and Chapter 1371; and

WHEREAS, the Council has heretofore passed a resolution authorizing and directing the Interim City Secretary to give notice of intention to issue Certificates of Obligation, and said notice has been duly published in a newspaper of general circulation in said City, said newspaper being a "newspaper" as defined in Section 2051.044, Texas Government Code, and posted to the City's Internet website, all in timing and manner provided in Section 271.049, Texas Local Government Code; and

WHEREAS, the City received no petition from the qualified electors of the City protesting the issuance of such Certificates of Obligation; and

WHEREAS, no bond proposition to authorize the issuance of bonds for the same purpose as any of the projects being financed with the proceeds of the Certificates was submitted to the voters of the City during the preceding three years and failed to be approved; and

WHEREAS, the City is an "issuer" within the meaning of Section 1371.001(4)(P), Texas Government Code, having (i) a principal amount of at least $100 million in outstanding long term indebtedness, in long term indebtedness proposed to be issued, or in a combination of outstanding or proposed long term indebtedness and (ii) some amount of long term indebtedness outstanding or proposed to be issued that is rated in one of the four highest rating categories for long term debt instruments by a nationally recognized rating agency for municipal securities, without regard to the effect of any credit agreement or other form of credit enhancement entered into in connection with the obligation; and

WHEREAS, it is officially found, determined, and declared that the meeting at which this Ordinance has been adopted was open to the public and public notice of the time, place and subject matter of the public business to be considered and acted upon at said meeting, including this Ordinance, was given, all as required by the applicable provisions of Texas Government Code, Chapter 551;

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

Section 1. RECITALS, AMOUNT, PURPOSE AND DESIGNATION OF THE CERTIFICATES.

(a) The recitals set forth in the preamble hereof are incorporated herein and shall have the same force and effect as if set forth in this Section.

(b) The Certificates are hereby authorized to be issued and delivered in the maximum aggregate principal amount hereinafter set forth for the purpose of paying all or a portion of the City's contractual obligations incurred in connection with the Projects (defined below).

(c) Each Certificate issued pursuant to this Ordinance shall be designated (unless otherwise provided in the Pricing Certificate): "CITY OF ROWLETT, TEXAS, COMBINATION TAX AND LIMITED SURPLUS REVENUE CERTIFICATE OF OBLIGATION, SERIES 2026," and initially there shall be issued, sold and delivered hereunder fully registered Certificates, without interest coupons, payable to the respective registered owners thereof (with the initial Certificate being made payable to the Underwriter as described herein), or to the registered assignee or assignees of said Certificates or any portion or portions thereof (in each case, the "Registered Owner"). The Certificates shall be in the respective denominations and principal amounts, shall be numbered, shall mature and be payable on the date or dates in each of the years and in the principal amounts or amounts due at maturity, as applicable, and shall bear interest to their respective dates of maturity or redemption, if applicable, prior to maturity at the rates per annum, as set forth in the Pricing Certificate.

Section 2. DEFINITIONS. Unless otherwise expressly provided or unless the context clearly requires otherwise in this Ordinance, the following terms shall have the meanings specified below:

"Attorney General" shall mean the Attorney General of the State.

"Authorized Officials" shall mean the Mayor, the Mayor Pro Tem, the City Secretary and each Pricing Officer.

"Certificates" shall mean and include the Certificates initially issued and delivered pursuant to this Ordinance and all substitute Certificates exchanged therefor, as well as all other substitute Certificates and replacement Certificates issued pursuant hereto, and the term "Certificate" shall mean any of the Certificates.

"Chapter 271" shall mean Chapter 271, Texas Local Government Code, as amended.

"Chapter 1201" shall mean Chapter 1201, Texas Government Code, as amended.

"Chapter 1208" shall mean Chapter 1208, Texas Government Code, as amended.

"Chapter 1371" shall mean Chapter 1371, Texas Government Code, as amended.

"Chapter 1502" shall mean Chapter 1502, Texas Government Code, as amended.

"Code" shall mean the Internal Revenue Code of 1986, as amended.

"Comptroller" shall mean the Comptroller of Public Accounts of the State.

"Delivery Date" shall mean the date or dates of delivery of the Certificates to the Underwriter against payment therefor, as determined by the Pricing Officer in the Pricing Certificate.

"Projects" shall mean (i) constructing and improving streets, roads and parking facilities, including related drainage, signalization, landscaping, sidewalks, lighting, screening walls, utility relocation and replacement, bridges, signage and streetscape improvements; (ii) designing, constructing, improving and equipping municipal parks and recreation facilities that are generally accessible to the public and are part of the City park system; and (iii) paying legal, fiscal and engineering fees in connection with such projects, including payment of the costs of issuance of the Certificates.

"Purchase Contract" shall mean (i) a purchase agreement between the City and the Underwriter, pertaining to the purchase of the Certificates by the Underwriter sold through a negotiated sale conducted as a public underwriting; (ii) a private placement agreement between the City and the Underwriter, pertaining to the purchase of the Certificates by the Underwriter sold through a negotiated sale conducted as a private placement; and (iii) the bid form prepared in accordance with the notice of sale and bidding instructions and submitted by potential purchasers of any Certificates sold pursuant to a competitive sale.

"State" shall mean the State of Texas.

"Underwriter" shall mean the initial purchaser(s) of the Certificates designated by the Pricing Officer in the Pricing Certificate.

Section 3. DELEGATION TO PRICING OFFICER.

(a) As authorized by Section 1371.053, Texas Government Code, as amended, the City Manager and the Finance Director of the City are each individually authorized to act on behalf of the City in selling and delivering the Certificates (of which officers, the officer executing the Pricing Certificate shall be hereinafter referred to as, and shall for all purposes be, the "Pricing Officer"), carrying out the procedures specified in this Ordinance, including determining the principal amount of Certificates to be issued, the amount to be applied against each proposition, the date or dates of the Certificates, any additional or different designation or title by which the Certificates shall be known, the price at which the Certificates will be sold, the years in which the Certificates will mature, the principal amount to mature in each of such years, the rate of interest to be borne by each such maturity, the interest payment and record dates, the price and terms, if any, upon and at which the Certificates shall be subject to redemption prior to maturity at the option of the City, as well as any mandatory sinking fund redemption provisions, whether the Certificates shall be designated as "qualified tax-exempt obligations" as defined in section 265(b)(3) of the Code, approving modifications or additions to the Rule 15c2-12 continuing disclosure undertaking, and all other matters relating to the issuance, sale and delivery of the

Certificates, including, without limitation, procuring municipal bond insurance and approving modifications to this Ordinance and executing such instruments, documents and agreements as may be necessary with respect thereto, if it is determined that such insurance would be financially desirable and advantageous, all of which shall be specified in the Pricing Certificate, provided that:

(i) the aggregate original principal amount of the Certificates shall not exceed $5,150,000;

(ii) no Certificate shall mature after February 15, 2046; and

(iii) the true interest cost of the Certificates shall not exceed 5.50%.

(b) In establishing the aggregate principal amount of the Certificates, the Pricing Officer shall establish an amount not exceeding the amount authorized in subsection (a) above, which shall be sufficient in amount to provide for the purposes for which the Certificates are authorized and to pay costs of issuing the Certificates. The delegations made hereby shall expire if not exercised by the Pricing Officer on or prior to the ninetieth (90^{th}) day following the adoption of this Ordinance. The Certificates shall be sold at such price, with and subject to such terms as set forth in the Pricing Certificate.

(c) The Certificates may be sold by public offering (either through a negotiated or competitive offering) or by private placement. If the Certificates are sold by private placement, the Pricing Certificate shall so state, and the Pricing Certificate may make changes to this Ordinance to effect such private placement, including the provisions hereof that pertain to the book-entry-only procedures (including eliminating the book-entry-only system of registrations, payment and transfers) and to the provisions herein relating to the Rule 15c2-12 undertaking (including eliminating or replacing such undertaking with an agreement to provide alternative disclosure information).

(d) In satisfaction of Section 1201.022(a)(3)(B), Texas Government Code, the Council hereby determines that the delegation of the authority to the Pricing Officer to approve the final terms of the Certificates set forth in this Ordinance is, and the decisions made by the Pricing Officer pursuant to such delegated authority and incorporated into the Pricing Certificate will be, in the City's best interests, and the Pricing Officer is hereby authorized to make and include in the Pricing Certificate a finding to that effect.

Section 4. CHARACTERISTICS OF THE CERTIFICATES.

(a) Registration, Transfer, Conversion and Exchange. The City shall keep or cause to be kept at the designated office of the bank named in the Pricing Certificate as the paying agent/registrar for the Certificates (the "Paying Agent/Registrar"), books or records for the registration of the transfer, conversion and exchange of the Certificates (the "Registration Books"), and the City hereby appoints the Paying Agent/Registrar as its registrar and transfer agent to keep such books or records and make such registrations of transfers, conversions and exchanges under such reasonable regulations as the City and Paying Agent/Registrar may prescribe; and the Paying Agent/Registrar shall make such registrations, transfers, conversions and exchanges as herein provided within three days of presentation in due and proper form. The Paying Agent/Registrar shall obtain and record in the Registration Books the address of the registered owner of each

Certificate to which payments with respect to the Certificates shall be mailed, as herein provided; but it shall be the duty of each registered owner to notify the Paying Agent/Registrar in writing of the address to which payments shall be mailed, and such interest payments shall not be mailed unless such notice has been given. The City shall have the right to inspect the Registration Books during regular business hours of the Paying Agent/Registrar, but otherwise the Paying Agent/Registrar shall keep the Registration Books confidential and, unless otherwise required by law, shall not permit their inspection by any other entity. The City shall pay the Paying Agent/Registrar's standard or customary fees and charges for making such registration, transfer, conversion, exchange and delivery of a substitute Certificate or Certificates. Registration of assignments, transfers, conversions and exchanges of Certificates shall be made in the manner provided and with the effect stated in the FORM OF CERTIFICATE set forth as **Exhibit A** of this Ordinance. Each substitute Certificate shall bear a letter and/or number to distinguish it from each other Certificate.

(b) Authentication. Except as provided in subsection (e) of this Section, an authorized representative of the Paying Agent/Registrar shall, before the delivery of any such Certificate, date and manually sign said Certificate, and no such Certificate shall be deemed to be issued or outstanding unless such Certificate is so executed. The Paying Agent/Registrar promptly shall cancel all paid Certificates and Certificates surrendered for conversion and exchange. No additional ordinances, orders or resolutions need be passed or adopted by the governing body of the City or any other body or person so as to accomplish the foregoing conversion and exchange of any Certificate or portion thereof, and the Paying Agent/Registrar shall provide for the printing, execution and delivery of the substitute Certificates in the manner prescribed herein. Pursuant to Subchapter D of Chapter 1201, the duty of conversion and exchange of Certificates as aforesaid is hereby imposed upon the Paying Agent/Registrar, and, upon the execution of said Certificate, the converted and exchanged Certificate shall be valid, incontestable, and enforceable in the same manner and with the same effect as the Certificates which initially were issued and delivered pursuant to this Ordinance, approved by the Attorney General and registered by the Comptroller.

(c) Payment of Certificates and Interest. The City hereby further appoints the Paying Agent/Registrar to act as the paying agent for paying the principal of and interest on the Certificates, all as provided in this Ordinance. The Paying Agent/Registrar shall keep proper records of all payments made by the City and the Paying Agent/Registrar with respect to the Certificates, and of all conversions and exchanges of Certificates, and all replacements of Certificates, as provided in this Ordinance. However, 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 registered owner appearing on the Registration Books at the close of business on the last business day next preceding the date of mailing of such notice.

(d) Substitute Paying Agent/Registrar. The City covenants with the registered owners of the Certificates that at all times while the Certificates are outstanding the City will provide a competent and legally qualified bank, trust company, financial institution or other agency to act as and perform the services of Paying Agent/Registrar for the Certificates under this Ordinance, and

that the Paying Agent/Registrar will be one entity. The City reserves the right to, and may, at its option, change the Paying Agent/Registrar upon not less than 50 days written notice to the Paying Agent/Registrar, to be effective not later than 45 days prior to the next principal or interest payment date after such notice. In the event that the entity at any time acting as Paying Agent/Registrar (or its successor by merger, acquisition, or other method) should resign or otherwise cease to act as such, the City covenants that promptly it will appoint a competent and legally qualified bank, trust company, financial institution, or other agency to act as Paying Agent/Registrar under this Ordinance. Upon any change in the Paying Agent/Registrar, the previous Paying Agent/Registrar promptly shall transfer and deliver the Registration Books (or a copy thereof), along with all other pertinent books and records relating to the Certificates, to the new Paying Agent/Registrar designated and appointed by the City. Upon any change in the Paying Agent/Registrar, the City promptly will cause a written notice thereof to be sent by the new Paying Agent/Registrar to each registered owner of the Certificates, by United States mail, first-class postage prepaid, which notice also shall give the address of the new Paying Agent/Registrar. By accepting the position and performing as such, each Paying Agent/Registrar shall be deemed to have agreed to the provisions of this Ordinance, and a certified copy of this Ordinance shall be delivered to each Paying Agent/Registrar.

(e) General Characteristics of the Certificates. The Certificates (i) shall be issued in fully registered form, without interest coupons, with the principal of and interest on such Certificates to be payable only to the Registered Owners thereof, (ii) may be redeemed prior to their scheduled maturities (notice of which shall be given to the Paying Agent/Registrar by the City at least 35 days prior to any such redemption date), (iii) may be transferred and assigned, (iv) may be converted and exchanged for other Certificates, (v) shall have the characteristics, (vi) shall be signed, sealed, executed and authenticated, (vii) the principal of and interest on the Certificates shall be payable, and (viii) shall be administered and the Paying Agent/Registrar and the City shall have certain duties and responsibilities with respect to the Certificates, all as provided, and in the manner and to the effect as required or indicated, in the FORM OF CERTIFICATE set forth as **Exhibit A** of this Ordinance. The Certificates initially issued and delivered pursuant to this Ordinance are not required to be, and shall not be, authenticated by the Paying Agent/Registrar, but on each substitute Certificate issued in conversion of and exchange for any Certificate or Certificates issued under this Ordinance the Paying Agent/Registrar shall execute the Paying Agent/registrar's Authentication Certificate, in the FORM OF CERTIFICATE set forth as **Exhibit A** of this Ordinance.

(f) Book-Entry-Only System. Unless the Certificates are sold by private placement, the Certificates issued in exchange for the Certificates initially issued to the Underwriter shall be initially issued in the form of a separate single fully registered Certificate for each of the maturities thereof. Upon initial issuance, the ownership of each such Certificate shall be registered in the name of Cede & Co., as nominee of The Depository Trust Company of New York ("DTC"), and except as provided in subsection (g) of this Section, all of the outstanding Certificates shall be registered in the name of Cede & Co., as nominee of DTC.

With respect to Certificates registered in the name of Cede & Co., as nominee of DTC, the City and the Paying Agent/Registrar shall have no responsibility or obligation to any securities brokers and dealers, banks, trust companies, clearing corporations and certain other organizations on whose behalf DTC was created ("DTC Participant") to hold securities to facilitate the clearance and settlement of securities transactions among DTC Participants or to any person on behalf of

whom such a DTC Participant holds an interest in the Certificates. Without limiting the immediately preceding sentence, the City and the Paying Agent/Registrar shall have no responsibility or obligation with respect to (i) the accuracy of the records of DTC, Cede & Co. or any DTC Participant with respect to any ownership interest in the Certificates, (ii) the delivery to any DTC Participant or any other person, other than a registered owner of Certificates, as shown on the Registration Books, of any notice with respect to the Certificates, or (iii) the payment to any DTC Participant or any other person, other than a registered owner of Certificates, as shown in the Registration Books of any amount with respect to principal of or interest on the Certificates. Notwithstanding any other provision of this Ordinance to the contrary, the City and the Paying Agent/Registrar shall be entitled to treat and consider the person in whose name each Certificate is registered in the Registration Books as the absolute owner of such Certificate for the purpose of payment of principal and interest with respect to such Certificate, for the purpose of registering transfers with respect to such Certificate, and for all other purposes whatsoever. The Paying Agent/Registrar shall pay all principal of and interest on the Certificates only to or upon the order of the registered owners, as shown in the Registration Books as provided in this Ordinance, or their respective attorneys duly authorized in writing, and all such payments shall be valid and effective to fully satisfy and discharge the City's obligations with respect to payment of principal of and interest on the Certificates to the extent of the sum or sums so paid. No person other than a registered owner, as shown in the Registration Books, shall receive a physical Certificate evidencing the obligation of the City to make payments of principal and interest pursuant to this Ordinance. Upon delivery by DTC to the Paying Agent/Registrar of written notice to the effect that DTC has determined to substitute a new nominee in place of Cede & Co., and subject to the provisions in this Ordinance with respect to interest checks being mailed to the registered owner at the close of business on the Record Date, the words "Cede & Co." in this Ordinance shall refer to such new nominee of DTC.

(g) Successor Securities Depository; Transfers Outside Book-Entry-Only System. If the Certificates are subject to the DTC book-entry-only system, and in the event that the City determines that DTC is incapable of discharging its responsibilities described herein and in the representation letter of the City to DTC or that it is in the best interest of the beneficial owners of the Certificates that they be able to obtain certificated Certificates, the City shall (i) appoint a successor securities depository, qualified to act as such under Section 17A of the Securities and Exchange Act of 1934, as amended, notify DTC and DTC Participants of the appointment of such successor securities depository and transfer one or more separate Certificates to such successor securities depository or (ii) notify DTC and DTC Participants of the availability through DTC of Certificates and transfer one or more separate Certificates to DTC Participants having Certificates credited to their DTC accounts. In such event, the Certificates shall no longer be restricted to being registered in the Registration Books in the name of Cede & Co., as nominee of DTC, but may be registered in the name of the successor securities depository, or its nominee, or in whatever name or names registered owners transferring or exchanging Certificates shall designate, in accordance with the provisions of this Ordinance.

(h) Payments to Cede & Co. Notwithstanding any other provision of this Ordinance to the contrary, so long as any Certificate is registered in the name of Cede & Co., as nominee of DTC, all payments with respect to principal of and interest on such Certificate and all notices with respect to such Certificate shall be made and given, respectively, in the manner provided in the representation letter of the City to DTC.

(i) Cancellation of Initial Certificate. On the Delivery Date, one initial Certificate representing the entire principal amount of the Certificates, payable in stated installments to the order of the Underwriter or its designee, executed by manual or facsimile signature of the Mayor or Mayor Pro Tem and the City Secretary or Interim City Secretary, approved by the Attorney General and registered and signed by the Comptroller in the manner prescribed by law, will be delivered to the Underwriter or its designee. If the Certificates are sold subject to the book-entry-only system of DTC, then upon payment for the initial Certificate, the Paying Agent/Registrar shall insert the Delivery Date on Certificate No. T-1, cancel the initial Certificate and deliver to DTC on behalf of the Underwriter one registered definitive Certificate for each year of maturity of the Certificates, in the aggregate principal amount of all of the Certificates for such maturity, registered in the name of Cede & Co., as nominee of DTC. To the extent that the Paying Agent/Registrar is eligible to participate in DTC's FAST System, pursuant to an agreement between the Paying Agent/Registrar and DTC, the Paying Agent/Registrar shall hold the definitive Certificates in safekeeping for DTC.

(j) 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 may, at the option of the City, be 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, or upon any prerequisite set forth in such notice of redemption. If a conditional notice of redemption is given and such prerequisites to the redemption and 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. FORM OF CERTIFICATES. The form of the Certificate, including the form of Paying Agent/Registrar's Authentication Certificate, the form of Assignment and the form of Registration Certificate of the Comptroller of Public Accounts of the State to be attached only to the Certificates initially issued and delivered pursuant to this Ordinance, shall be, respectively, substantially in the form provided in **Exhibit A**, with such appropriate variations, omissions, or insertions as are permitted or required by this Ordinance. The Form of Certificate as it appears in **Exhibit A** shall be completed, amended and modified by Bond Counsel to incorporate the information set forth in the Pricing Certificate, but it is not required for the Form of Certificate to be reproduced as an exhibit to the Pricing Certificate.

Section 6. INTEREST AND SINKING FUND; SURPLUS REVENUES.

(a) A special "Interest and Sinking Fund" is hereby created and shall be established and maintained by the City at an official depository bank of said City. Said Interest and Sinking Fund shall be kept separate and apart from all other funds and accounts of said City, and shall be used only for paying the interest on and principal of said Certificates. All amounts received from the sale of the Certificates as accrued interest shall be deposited upon receipt to the Interest and Sinking Fund, and all ad valorem taxes levied and collected for and on account of said Certificates shall be deposited, as collected, to the credit of said Interest and Sinking Fund. During each year while any of said Certificates are outstanding and unpaid, the governing body of said City shall compute and ascertain a rate and amount of ad valorem tax that will be sufficient to raise and

produce the money required to pay the interest on said Certificates as such interest comes due, and to provide and maintain a sinking fund adequate to pay the principal of said Certificates as such principal matures (but never less than 2% of the original amount of said Certificates as a sinking fund each year); and said tax shall be based on the latest approved tax rolls of said City, with full allowances being made for tax delinquencies and the cost of tax collection. Said rate and amount of ad valorem tax is hereby levied, and is hereby ordered to be levied, against all taxable property in said City, for each year while any of said Certificates are outstanding and unpaid, and said tax shall be assessed and collected each such year and deposited to the credit of the aforesaid Interest and Sinking Fund. Said ad valorem taxes sufficient to provide for the payment of the interest on and principal of said Certificates, as such interest comes due and such principal matures, are hereby pledged for such payment, within the limits prescribed by law.

(b) The Certificates are additionally secured by a limited pledge of $1,000 of the revenues of the City's combined Waterworks and Sewer System (the "System") remaining after payment of all operation and maintenance expenses thereof (the "Net Revenues"), and all debt service, reserve and other requirements in connection with all of the City's revenue obligations (now or hereafter outstanding) that are payable from all or part of the Net Revenues of the System, constituting "Surplus Revenues." The City shall deposit such Surplus Revenues to the credit of the Interest and Sinking Fund created pursuant to Section 6, to the extent necessary to pay the principal and interest on the Certificates. Notwithstanding the requirements of Section 6, if Surplus Revenues are actually on deposit in the Interest and Sinking Fund in advance of the time when ad valorem taxes are scheduled to be levied for any year, then the amount of taxes that otherwise would have been required to be levied pursuant to Section 6 may be reduced to the extent and by the amount of the Surplus Revenues then on deposit in the Interest and Sinking Fund. The City reserves the right, without condition or limitation, to issue other obligations secured in whole or in part by a parity lien on and pledge of the Surplus Revenues, for any purpose permitted by law.

(c) Chapter 1208 applies to the issuance of the Certificates and the pledge of the taxes and Surplus Revenues granted by the City hereunder, and is therefore valid, effective and perfected. Should State law be amended at any time while the Certificates are outstanding and unpaid, the result of such amendment being that the pledge of the taxes and Surplus Revenues granted by the City hereunder is to be subject to the filing requirements of Chapter 9, Business and Commerce Code, in order to preserve to the registered owners of the Certificates a security interest in said pledge, the City agrees to take such measures as it determines are reasonable and necessary under State law to comply with the applicable provisions of Chapter 9, Business and Commerce Code and enable a filing of a security interest in said pledge to occur.

Section 7. DEFEASANCE OF CERTIFICATES.

(a) Any Certificate and the interest thereon shall be deemed to be paid, retired and no longer outstanding (a "Defeased Certificate") within the meaning of this Ordinance, except to the extent provided in subsection (d) of this Section, when payment of the principal of such Certificate, plus interest thereon to the due date (whether such due date be by reason of maturity or otherwise) either (i) shall have been made or caused to be made in accordance with the terms thereof, or (ii) shall have been provided for on or before such due date by irrevocably depositing with or making available to the Paying Agent/Registrar in accordance with an escrow agreement or other instrument (the "Future Escrow Agreement") for such payment (1) lawful money of the United

States of America sufficient to make such payment or (2) Defeasance Securities that mature as to principal and interest in such amounts and at such times as will insure the availability, without reinvestment, of sufficient money to provide for such payment, and when proper arrangements have been made by the City with the Paying Agent/Registrar for the payment of its services until all Defeased Certificates shall have become due and payable. At such time as a Certificate shall be deemed to be a Defeased Certificate hereunder, as aforesaid, such Certificate and the interest thereon shall no longer be secured by, payable from, or entitled to the benefits of, the ad valorem taxes herein levied and pledged or the limited pledge of Surplus Revenues as provided in this Ordinance, and such principal and interest shall be payable solely from such money or Defeasance Securities. Notwithstanding any other provision of this Ordinance to the contrary, it is hereby provided that any determination not to redeem Defeased Certificates that is made in conjunction with the payment arrangements specified in subsection 6(a)(i) or (ii) shall not be irrevocable, provided that: (1) in the proceedings providing for such payment arrangements, the City expressly reserves the right to call the Defeased Certificates for redemption; (2) gives notice of the reservation of that right to the owners of the Defeased Certificates immediately following the making of the payment arrangements; and (3) directs that notice of the reservation be included in any redemption notices that it authorizes.

(b) Any moneys so deposited with the Paying Agent/Registrar may at the written direction of the City be invested in Defeasance Securities, maturing in the amounts and times as hereinbefore set forth, and all income from such Defeasance Securities received by the Paying Agent/Registrar that is not required for the payment of the Certificates and interest thereon, with respect to which such money has been so deposited, shall be turned over to the City, or deposited as directed in writing by the City. Any Future Escrow Agreement pursuant to which the money and/or Defeasance Securities are held for the payment of Defeased Certificates may contain provisions permitting the investment or reinvestment of such moneys in Defeasance Securities or the substitution of other Defeasance Securities upon the satisfaction of the requirements specified in subsection 6(a)(i) or (ii). All income from such Defeasance Securities received by the Paying Agent/Registrar which is not required for the payment of the Defeased Certificates, with respect to which such money has been so deposited, shall be remitted to the City or deposited as directed in writing by the City.

(c) Subject to any statement to the contrary that may be included in the Pricing Certificate, the term "Defeasance Securities" means any securities and obligations now or hereafter authorized by State law that are eligible to refund, retire or otherwise discharge obligations such as the Certificates.

(d) Until all Defeased Certificates shall have become due and payable, the Paying Agent/Registrar shall perform the services of Paying Agent/Registrar for such Defeased Certificates the same as if they had not been defeased, and the City shall make proper arrangements to provide and pay for such services as required by this Ordinance.

(e) In the event that the City elects to defease less than all of the principal amount of Certificates of a maturity, the Paying Agent/Registrar shall select, or cause to be selected, such amount of Certificates by such random method as it deems fair and appropriate.

Section 8. DAMAGED, MUTILATED, LOST, STOLEN, OR DESTROYED CERTIFICATES.

(a) Replacement Certificates. In the event any outstanding Certificate is damaged, mutilated, lost, stolen or destroyed, the Paying Agent/Registrar shall cause to be printed, executed and delivered, a new certificate of the same principal amount, maturity and interest rate, as the damaged, mutilated, lost, stolen or destroyed Certificate, in replacement for such Certificate in the manner hereinafter provided.

(b) Application for Replacement Certificates. Application for replacement of damaged, mutilated, lost, stolen or destroyed Certificates shall be made by the registered owner thereof to the Paying Agent/Registrar. In every case of loss, theft or destruction of a Certificate, the registered owner applying for a replacement certificate shall furnish to the City and to the Paying Agent/Registrar such security or indemnity as may be required by them to save each of them harmless from any loss or damage with respect thereto. Also, in every case of loss, theft or destruction of a Certificate, the registered owner shall furnish to the City and to the Paying Agent/Registrar evidence to their satisfaction of the loss, theft or destruction of such Certificate, as the case may be. In every case of damage or mutilation of a Certificate, the registered owner shall surrender to the Paying Agent/Registrar for cancellation the Certificate so damaged or mutilated.

(c) No Default Occurred. Notwithstanding the foregoing provisions of this Ordinance, in the event any such Certificate shall have matured, and no default has occurred that is then continuing in the payment of the principal of, redemption premium, if any, or interest on the Certificate, the City may authorize the payment of the same (without surrender thereof except in the case of a damaged or mutilated Certificate) instead of issuing a replacement Certificate, provided security or indemnity is furnished as above provided in this Section.

(d) Charge for Issuing Replacement Certificates. Prior to the issuance of any replacement certificate, the Paying Agent/Registrar shall charge the registered owner of such Certificate with all legal, printing, and other expenses in connection therewith. Every replacement certificate issued pursuant to the provisions of this Section by virtue of the fact that any Certificate is lost, stolen or destroyed shall constitute a contractual obligation of the City whether or not the lost, stolen or destroyed Certificate shall be found at any time, or be enforceable by anyone, and shall be entitled to all the benefits of this Ordinance equally and proportionately with any and all other Certificates duly issued under this Ordinance.

(e) Authority for Issuing Replacement Certificates. In accordance with Section 1206.022, Texas Government Code, this Section shall constitute authority for the issuance of any such replacement certificate without necessity of further action by the governing body of the City or any other body or person, and the duty of the replacement of such certificates is hereby authorized and imposed upon the Paying Agent/Registrar, and the Paying Agent/Registrar shall authenticate and deliver such Certificates in the form and manner and with the effect, as provided in Section 3(a) of this Ordinance for Certificates issued in conversion and exchange for other Certificates.

Section 9. CUSTODY, APPROVAL, AND REGISTRATION OF CERTIFICATES; BOND COUNSEL'S OPINION; CUSIP NUMBERS AND CONTINGENT INSURANCE PROVISION, IF OBTAINED; ENGAGEMENT OF BOND COUNSEL.

(a) The Mayor or Mayor Pro Tem are hereby authorized to have control of the Certificates initially issued and delivered hereunder and all necessary records and proceedings pertaining to the Certificates pending their delivery and their investigation, examination and approval by the Attorney General and their registration by the Comptroller. Upon registration of the Certificates, the Comptroller (or a deputy designated in writing to act for the Comptroller) shall sign the Comptroller's Registration Certificate attached to such Certificates in the manner prescribed by law, and the seal of the Comptroller shall be impressed, or placed in facsimile, on such Certificate. The approving legal opinion of the City's Bond Counsel and the assigned CUSIP numbers may, at the option of the City, be printed on the Certificates issued and delivered under this Ordinance, but neither shall have any legal effect, and shall be solely for the convenience and information of the registered owners of the Certificates. In addition, if bond insurance is obtained, the payment of the insurance premium is hereby approved and the Certificates may bear an appropriate legend as provided by the insurer.

(b) The obligation of the Underwriter to accept delivery of the Certificates is subject to the Underwriter being furnished with the final, approving opinion of McCall, Parkhurst & Horton L.L.P., bond counsel to the City, which opinion shall be dated as of and delivered on the date of initial delivery of the Certificates to the Underwriter. The engagement of such firm as bond counsel to the City in connection with issuance, sale and delivery of the Certificates is hereby approved and confirmed.

Section 10. COVENANTS REGARDING TAX EXEMPTION OF INTEREST ON THE CERTIFICATES.

(a) Covenants. The City covenants to take any action necessary to assure, or refrain from any action which would adversely affect, the treatment of the Certificates as obligations described in section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), the interest on which is not includable in the "gross income" of the holder for purposes of federal income taxation. In furtherance thereof, the City covenants as follows:

(1) to take any action to assure that no more than 10 percent of the proceeds of the Certificates or the projects financed therewith (less amounts deposited to a reserve fund, if any) are used for any "private business use," as defined in section 141(b)(6) of the Code or, if more than 10 percent of the proceeds or the projects financed therewith are so used, such amounts, whether or not received by the City, with respect to such private business use, do not, under the terms of this Ordinance or any underlying arrangement, directly or indirectly, secure or provide for the payment of more than 10 percent of the debt service on the Certificates, in contravention of section 141(b)(2) of the Code;

(2) to take any action to assure that in the event that the "private business use" described in subsection (1) hereof exceeds 5 percent of the proceeds of the Certificates or the projects financed therewith (less amounts deposited into a reserve fund, if any) then the amount in excess of 5 percent is used for a "private business use" which is "related" and not "disproportionate," within the meaning of section 141(b)(3) of the Code, to the governmental use;

(3) to take any action to assure that no amount which is greater than the lesser of $5,000,000, or 5 percent of the proceeds of the Certificates (less amounts deposited into

a reserve fund, if any) is directly or indirectly used to finance loans to persons, other than state or local governmental units, in contravention of section 141(c) of the Code;

(4) to refrain from taking any action which would otherwise result in the Certificates being treated as "private activity bonds" within the meaning of section 141(b) of the Code;

(5) to refrain from taking any action that would result in the Certificates being "federally guaranteed" within the meaning of section 149(b) of the Code;

(6) to refrain from using any portion of the proceeds of the Certificates, directly or indirectly, to acquire or to replace funds which were used, directly or indirectly, to acquire investment property (as defined in section 148(b)(2) of the Code) which produces a materially higher yield over the term of the Certificates, other than investment property acquired with B

(A) proceeds of the Certificates invested for a reasonable temporary period of 5 years or less or, in the case of a refunding bond, for a period of 90 days or less until such proceeds are needed for the purpose for which the bonds are issued,

(B) amounts invested in a bona fide debt service fund, within the meaning of section l.148 1(b) of the Treasury Regulations, and

(C) amounts deposited in any reasonably required reserve or replacement fund to the extent such amounts do not exceed 10 percent of the proceeds of the Certificates;

(7) to otherwise restrict the use of the proceeds of the Certificates or amounts treated as proceeds of the Certificates, as may be necessary, so that the Certificates do not otherwise contravene the requirements of section 148 of the Code (relating to arbitrage);

(8) to refrain from using the proceeds of the Certificates or proceeds of any prior bonds to pay debt service on another issue more than 90 days after the date of issue of the Certificates in contravention of the requirements of section 149(d) of the Code (relating to advance refundings);

(9) to pay to the United States of America at least once during each five-year period (beginning on the date of delivery of the Certificates) an amount that is at least equal to 90 percent of the "Excess Earnings," within the meaning of section 148(f) of the Code and to pay to the United States of America, not later than 60 days after the Certificates have been paid in full, 100 percent of the amount then required to be paid as a result of Excess Earnings under section 148(f) of the Code; and

(10) to establish reasonable expectations to prevent using the proceeds of the Certificates in contravention of the requirements of section 149(g) of the Code (relating to hedge bonds).

(b) Rebate Fund. In order to facilitate compliance with the above covenant (8), a "Rebate Fund" is hereby established by the City for the sole benefit of the United States of America, and such fund shall not be subject to the claim of any other person, including without limitation the bondholders. The Rebate Fund is established for the additional purpose of compliance with section 148 of the Code.

(c) Use of Proceeds. The City understands that the term "proceeds" includes "disposition proceeds" as defined in the Treasury Regulations and, in the case of refunding bonds, transferred proceeds (if any) and proceeds of the refunded bonds expended prior to the date of issuance of the Certificates. It is the understanding of the City that the covenants contained herein are intended to assure compliance with the Code and any regulations or rulings promulgated by the U.S. Department of the Treasury pursuant thereto. In the event that regulations or rulings are hereafter promulgated which modify or expand provisions of the Code, as applicable to the Certificates, the City will not be required to comply with any covenant contained herein to the extent that such failure to comply, in the opinion of nationally recognized bond counsel, will not adversely affect the exemption from federal income taxation of interest on the Certificates under section 103 of the Code. In the event that regulations or rulings are hereafter promulgated which impose additional requirements which are applicable to the Certificates, the City agrees to comply with the additional requirements to the extent necessary, in the opinion of nationally recognized bond counsel, to preserve the exemption from federal income taxation of interest on the Certificates under section 103 of the Code. In furtherance of such intention, the City hereby authorizes and directs the Authorized Officials, individually but not jointly, to execute any documents, certificates or reports required by the Code and to make such elections, on behalf of the City, which may be permitted by the Code as are consistent with the purpose for the issuance of the Certificates.

(d) Allocation of, and Limitation on, Expenditures for the Projects. The City covenants to account for the expenditure of sale proceeds and investment earnings to be used for the Projects on its books and records in accordance with the requirements of the Code. The City recognizes that in order for the proceeds to be considered used for the reimbursement of costs, the proceeds must be allocated to expenditures within 18 months of the later of the date that (1) the expenditure is made, or (2) the Projects are completed; but in no event later than three years after the date on which the original expenditure is paid. The foregoing notwithstanding, the City recognizes that in order for proceeds to be expended under the Code, the sale proceeds or investment earnings must be expended no more than 60 days after the earlier of (1) the fifth anniversary of the delivery of the Certificates, or (2) the date the Certificates are retired. The City agrees to obtain the advice of nationally-recognized bond counsel if such expenditure fails to comply with the foregoing to assure that such expenditure will not adversely affect the tax-exempt status of the Certificates. For purposes hereof, the City shall not be obligated to comply with this covenant if it obtains an opinion that such failure to comply will not adversely affect the excludability for federal income tax purposes from gross income of the interest.

(e) Disposition of the Projects. The City covenants that the property constituting the Projects will not be sold or otherwise disposed in a transaction resulting in the receipt by the City of cash or other compensation, unless any action taken in connection with such disposition will not adversely affect the tax-exempt status of the Certificates. For purpose of the foregoing, the City may rely on an opinion of nationally-recognized bond counsel that the action taken in

connection with such sale or other disposition will not adversely affect the tax-exempt status of the Certificates. For purposes of the foregoing, the portion of the property comprising personal property and disposed in the ordinary course shall not be treated as a transaction resulting in the receipt of cash or other compensation. For purposes hereof, the City shall not be obligated to comply with this covenant if it obtains an opinion that such failure to comply will not adversely affect the excludability for federal income tax purposes from gross income of the interest.

Section 11. SALE OF CERTIFICATES; OFFICIAL STATEMENT.

(a) The Certificates shall be sold and delivered subject to the provisions of Section 1 and Section 3 and pursuant to the terms and provisions of the Purchase Contract, which the Pricing Officer is hereby authorized to execute and deliver and in which the Underwriter of the Certificates shall be designated. The Certificates shall initially be registered in the name of the Underwriter or its designee, as set forth in the Pricing Certificate.

(b) The Pricing Officer is hereby authorized, in the name and on behalf of the City, to approve the distribution and delivery of a preliminary official statement and a final official statement relating to the Certificates to be used by the Underwriter in the marketing of the Certificates, if applicable.

Section 12. FURTHER PROCEDURES; ENGAGEMENT OF BOND COUNSEL; ATTORNEY GENERAL FILING FEE; APPROPRIATION.

(a) The Authorized Officials shall be and they 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 under the corporate seal and on behalf of the City a Blanket Issuer Letter of Representations with DTC regarding the book-entry-only system, a Paying Agent/Registrar Agreement with the Paying Agent/Registrar, the Purchase Contract between the City and the Underwriter, if any, all forms and documents necessary to ensure the interest on the Certificates is exempt from federal income taxation, and all other instruments, whether or not herein mentioned, as may be necessary or desirable in order to carry out the terms and provisions of this Ordinance and the Certificates. In addition, prior to the Delivery Date, the Authorized Officials 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 this Ordinance or such other document, or (ii) as requested by the Attorney General or his representative to obtain the approval of the Certificates by the Attorney General. Notwithstanding anything to the contrary contained herein, while the Certificates are subject to DTC's book-entry-only system and to the extent permitted by law, the Blanket Issuer Letter of Representation is hereby incorporated herein and its provisions shall prevail over any other provisions of this Ordinance in the event of conflict. The Mayor or Mayor Pro Tem and City Secretary or Interim City Secretary sign each Certificate, including the initial Certificate(s), with their manual or facsimile signatures, and the official seal of the City shall be duly impressed, or placed in facsimile, on each Certificate. In case any officer whose signature shall appear on any Certificate shall cease to be such officer before the delivery of such Certificate, such signature shall nevertheless be valid and sufficient for all purposes the same as if such officer had remained in office until such delivery.

(b) The obligation of the Underwriter to accept delivery of the Certificates is subject to the Underwriter being furnished with the final, approving opinion of McCall, Parkhurst & Horton L.L.P., bond counsel to the City, which opinion shall be dated as of and delivered on the Delivery Date. The engagement of such firm as bond counsel to the City in connection with issuance, sale and delivery of the Certificates is hereby approved and confirmed.

(c) To pay the debt service coming due on the Certificates, if any (as determined by the Pricing Certificate) prior to receipt of the taxes levied to pay such debt service, there is hereby appropriated from current funds on hand, which are hereby certified to be on hand and available for such purpose, an amount sufficient to pay such debt service, and such amount shall be used for no other purpose.

(d) In accordance with the provisions of Section 1202.004, Texas Government Code, in connection with the submission of the Certificates to the Attorney General for review and approval, a statutory fee (an amount equal to 0.1% principal amount of the Certificates, subject to a minimum of $750 and a maximum of $9,500) is required to be paid to the Attorney General upon the submission of the transcript of proceedings for the Certificates. The City hereby authorizes and directs that a check in the amount of the Attorney General filing fee for the Certificates, made payable to the "Texas Attorney General," be promptly furnished to the City's Bond Counsel, for payment to the Attorney General in connection with his review of the Certificates.

Section 13. COMPLIANCE WITH RULE 15c2-12.

(a) If the Certificates are sold by public offering, and are subject to the Rule (as defined below), the following provisions shall apply, unless modified by the Pricing Officer in the Pricing Certificate:

(i) 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) a guarantee of the foregoing (a) and (b). The term Financial Obligation does not include any municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

"MSRB" means the Municipal Securities Rulemaking Board or any successor to its functions under the Rule.

"Rule" means SEC Rule 15c2 12, as amended from time to time.

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

(ii) Annual Reports.

(A) The City shall provide annually to the MSRB, within the timeframe set forth in the Pricing Certificate, in the electronic format prescribed by the MSRB,

certain updated financial information and operating data pertaining to the City, being the information described in the Pricing Certificate.

(B) Any financial information described in the Pricing Certificate to be provided shall be (i) prepared in accordance with the accounting principles described in the financial statements of the City appended 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 (ii) audited, if the City commissions an audit of such statements and the audit is completed within the period during which they must be provided. If the audit of such financial statements is not completed within the period set forth in the Pricing Certificate, then the City shall provide unaudited financial information of the type described in the Pricing Certificate within such period, and audited financial statements for the applicable fiscal year to the MSRB, when and if the audit report on such statements becomes available.

(C) 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.

(D) All financial information, operating data, financial statements and notices required by this Section to be provided to the MSRB shall be provided in an electronic format and be accompanied by identifying information prescribed by the MSRB. 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 (including an official statement or other offering document) available to the public on the MSRB's Internet Web site or filed with the SEC.

(iii) Event Notices. The City shall notify the MSRB, in a timely manner not in excess of ten business days after the occurrence of the event, of any of the following events with respect to the Certificates:

(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;
(13) The consummation of a merger, consolidation, or acquisition involving the City or the sale of all or substantially all of the assets of the City, 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; and
(14) Appointment of a successor or additional paying agent/registrar or the change of name of a paying agent/registrar, 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 paragraph (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 of the City 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 (15) and (16) and the definition of Financial Obligation in this Section to have the same meanings as when they are used in the Rule, as evidenced by 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 (a)(ii) of this Section by the time required by subsection (a)(ii).

(iv) Limitations, Disclaimers and Amendments.

(A) 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 Certificates within the meaning of the Rule, except that the City in any event will give notice of any deposit made in accordance with this Ordinance or applicable law that causes the Certificates no longer to be outstanding.

(B) The provisions of this Section are for the sole benefit of the registered owners 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.

(C) UNDER NO CIRCUMSTANCES SHALL THE CITY BE LIABLE TO THE REGISTERED OWNER 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.

(D) No default by the City in observing or performing its obligations under this Section shall comprise a breach of or default under the 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.

(E) The provisions of this Section may be amended by the City from time to time to adapt to changed circumstances that arise from a change in legal requirements, a change in law, or a change in the identity, nature, status, or type of operations of the City, 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 since such offering as well as such changed circumstances and (2) either (a) the registered owners 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) determined that such amendment will not materially impair the interest of the registered owners and beneficial owners of the Certificates. If the City so amends the provisions of this Section, it shall include with any amended financial information or operating data next provided in accordance with subsection (b) of this Section an explanation, in narrative form, of the reason for the amendment and of the impact of any change in the type of financial information or operating data so provided. The City may also amend or repeal the provisions of this continuing disclosure agreement if the SEC amends or repeals the applicable provision of the Rule or a court of final jurisdiction enters judgment that such provisions of the Rule are invalid, but only if and to the extent that the provisions of this sentence would not prevent an underwriter from

lawfully purchasing or selling Certificates in the primary offering of the Certificates.

(b) If the Certificates are sold by private placement, the Pricing Officer may agree to provide for an undertaking in accordance with the Rule or may agree to provide other public information to the Underwriter as may be necessary for the sale of the Certificates on the most favorable terms to the City.

Section 14. METHOD OF AMENDMENT. The City hereby reserves the right to amend this Ordinance subject to the following terms and conditions, to-wit:

(a) The City may from time to time, without the consent of any holder, except as otherwise required by paragraph (b) below, amend or supplement this Ordinance in order to (i) cure any ambiguity, defect or omission in this Ordinance that does not materially adversely affect the interests of the holders, (ii) grant additional rights or security for the benefit of the holders, (iii) add events of default as shall not be inconsistent with the provisions of this Ordinance and that shall not materially adversely affect the interests of the holders, (iv) qualify this Ordinance under the Trust Indenture Act of 1939, as amended, or corresponding provisions of federal laws from time to time in effect, or (v) make such other provisions in regard to matters or questions arising under this Ordinance as shall not be inconsistent with the provisions of this Ordinance and that shall not in the opinion of the City's Bond Counsel materially adversely affect the interests of the holders.

(b) Except as provided in paragraph (a) above, the holders of Certificates aggregating a majority of the aggregate principal amount of then outstanding Certificates that are the subject of a proposed amendment shall have the right from time to time to approve any amendment hereto that may be deemed necessary or desirable by the City; provided, however, that without the consent of 100% of the holders in aggregate principal amount of the then outstanding Certificates, nothing herein contained shall permit or be construed to permit amendment of the terms and conditions of this Ordinance or in any of the Certificates so as to:

(1) Make any change in the maturity of any of the outstanding Certificates;

(2) Reduce the rate of interest borne by any of the outstanding Certificates;

(3) Reduce the amount of the principal of, or redemption premium, if any, payable on any outstanding Certificates;

(4) Modify the terms of payment of principal or of interest or redemption premium on outstanding Certificates or any of them or impose any condition with respect to such payment; or

(5) Change the minimum percentage of the principal amount of any series of Certificates necessary for consent to such amendment.

(c) If at any time the City shall desire to amend this Ordinance under subsection (b) of this Section, the City shall send by U.S. mail to each registered owner of the affected Certificates a copy of the proposed amendment.

(d) Whenever at any time within one year from the date of mailing of such notice the City shall receive an instrument or instruments executed by the holders of at least a majority in aggregate principal amount of all of the Certificates then outstanding that are required for the

amendment, which instrument or instruments shall refer to the proposed amendment and that shall specifically consent to and approve such amendment, the City may adopt the amendment in substantially the same form.

(e) Upon the adoption of any amendatory Ordinance pursuant to the provisions of this Section, this Ordinance shall be deemed to be modified and amended in accordance with such amendatory Ordinance, and the respective rights, duties, and obligations of the City and all holders of such affected Certificates shall thereafter be determined, exercised, and enforced, subject in all respects to such amendment.

(f) Any consent given by the holder of a Certificate pursuant to the provisions of this Section shall be irrevocable for a period of six months from the date of the mailing of the notice provided for in this Section, and shall be conclusive and binding upon all future holders of the same Certificate during such period. Such consent may be revoked at any time after six months from the date of the mailing of said notice by the holder who gave such consent, or by a successor in title, by filing notice with the City, but such revocation shall not be effective if the holders of a majority in aggregate principal amount of the affected Certificates then outstanding, have, prior to the attempted revocation, consented to and approved the amendment.

(g) For the purposes of establishing ownership of the Certificates, the City shall rely solely upon the registration of the ownership of such Certificates on the registration books kept by the Paying Agent/Registrar.

Section 15. DEFAULT AND REMEDIES.

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

(i) the failure to make payment of the principal of or interest on any of the Certificates when the same becomes due and payable; or

(ii) default in the performance or observance of any other covenant, agreement or obligation of the City, the failure to perform which materially, adversely affects the rights of the registered owners of the Certificates, including, but not limited to, their prospect or ability to be repaid in accordance with this Ordinance, and the continuation thereof for a period of 60 days after notice of such default is given by any Registered Owner to the City.

(b) Remedies for Default.

(i) Upon the happening of any Event of Default, then and in every case, any Registered Owner or an authorized representative thereof, including, but not limited to, a trustee or trustees therefor, may proceed against the City for the purpose of protecting and enforcing the rights of the Registered Owners under this Ordinance, by mandamus or other suit, action or special proceeding in equity or at law, in any court of competent jurisdiction, for any relief permitted by law, including the specific performance of any covenant or agreement contained herein, or thereby to enjoin any act or thing that may be unlawful or in violation of any right of the Registered Owners hereunder or any combination of such remedies.

(ii) It is provided that all such proceedings shall be instituted and maintained for the equal benefit of all Registered Owners of Certificates then outstanding.

(c) Remedies Not Exclusive.

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

(ii) The exercise of any remedy herein conferred or reserved shall not be deemed a waiver of any other available remedy.

(iii) By accepting the delivery of a Certificate authorized under this Ordinance, such Registered Owner agrees that the certifications required to effectuate any covenants or representations contained in this Ordinance do not and shall never constitute or give rise to a personal or pecuniary liability or charge against the officers, employees or trustees of the City or the Council.

Section 16. INTEREST EARNINGS ON CERTIFICATE PROCEEDS; USE OF PREMIUM RECEIVED FROM SALE OF CERTIFICATES.

(a) Interest Earnings. Interest earnings derived from the proceeds that are deposited to the Construction Fund (defined below) shall be retained therein and used for the purposes for which the Certificates were issued, provided that after the completion of such purposes, any amounts remaining therein shall be deposited to the Interest and Sinking Fund for the Certificates. It is further provided, however, that any interest earnings on Certificate proceeds that are required to be rebated to the United States of America pursuant to this Ordinance in order to prevent the Certificates from being arbitrage bonds shall be so rebated and not considered as interest earnings for purposes of this Section.

(b) Use of Certificate Premium. The net premium received from the sale of the Certificates shall be applied as determined by the Pricing Officer in the Pricing Certificate.

(c) Establishment of Construction Fund.

(i) The City has heretofore created and established, and hereby covenants to continue to maintain on the books of the City, a separate fund entitled the "Construction Fund" (the "Construction Fund") for use by the City for payment of all lawful costs associated with the Projects. Proceeds of the Certificates in the amount determined by the Pricing Officer in the Pricing Certificate shall be deposited into the Construction Fund. Upon payment of all Project costs, any Certificate proceeds remaining on deposit in the Construction Fund shall be transferred to the Interest and Sinking Fund. Amounts so deposited to the Interest and Sinking Fund shall be used in the manner described in this Ordinance.

(ii) The City may place proceeds of the Certificates (including investment

earnings thereon) and amounts deposited into the Interest and Sinking Fund in investments authorized by the Public Funds Investment Act, Chapter 2256, Texas Government Code, as amended; provided, however, that the City hereby covenants that the proceeds of the sale of the Certificates will be used as soon as practicable for the Projects.

(iii) All deposits authorized or required by this Ordinance shall be secured to the fullest extent required by law for the security of public funds.

Section 17. EFFECTIVE DATE. In accordance with the provisions of Texas Government Code, Section 1201.028, this Ordinance shall be effective immediately upon its adoption by the Council.

Section 18. SEVERABILITY. If any section, article, paragraph, sentence, clause, phrase or word in this Ordinance, or application thereof to any persons or circumstances is held invalid or unconstitutional by a court of competent jurisdiction, such holding shall not affect the validity of the remaining portion of this Ordinance, despite such invalidity, which remaining portions shall remain in full force and effect.

Section 19. APPROPRIATION. To pay the debt service coming due on the Certificates, if any (as determined by the Pricing Certificate) prior to receipt of the taxes levied to pay such debt service, there is hereby appropriated from current funds on hand, which are hereby certified to be on hand and available for such purpose, an amount sufficient to pay such debt service, and such amount shall be used for no other purpose.

[Execution page follows]

Exhibit A

FORM OF CERTIFICATES

(a) The form of the Certificate, including the form of Paying Agent/Registrar's Authentication Certificate, the form of Assignment and the form of Registration Certificate of the Comptroller of Public Accounts of the State of Texas to be attached only to the Certificates initially issued and delivered pursuant to this Ordinance, shall be, respectively, substantially as follows, with such appropriate variations, omissions, or insertions as are permitted or required by this Ordinance and with the Certificates to be completed with information set forth in the Pricing Certificate. The Form of Certificate as it appears in this **Exhibit A** shall be completed, amended and modified by Bond Counsel to incorporate the information set forth in the Pricing Certificate, but it is not required for the Form of Certificate to be reproduced as an exhibit to the Pricing Certificate.

NO. R-__	UNITED STATES OF AMERICA STATE OF TEXAS CITY OF ROWLETT, TEXAS, COMBINATION TAX AND LIMITED SURPLUS REVENUE CERTIFICATE OF OBLIGATION, SERIES 2026	PRINCIPAL AMOUNT $_____

Interest Rate	Delivery Date	Maturity Date	CUSIP No.
_____%	_____, 2026	February 15, 20__	

REGISTERED OWNER:

PRINCIPAL AMOUNT:

ON THE MATURITY DATE specified above, the City of Rowlett, located in Dallas and Rockwall Counties, Texas (the "City"), being a political subdivision and municipal corporation of the State of Texas, hereby promises to pay to the Registered Owner specified above, or registered assigns (hereinafter called the "Registered Owner"), the Principal Amount specified above. The City promises to pay interest on the unpaid principal amount hereof (calculated on the basis of a 360-day year of twelve 30-day months) from the Delivery Date above at the Interest Rate per annum specified above. Interest is payable on [February 15, 2027 and semiannually on each August 15 and February 15] thereafter to the Maturity Date specified above, or the date of redemption prior to maturity; except, if this Certificate is required to be authenticated and the date of its authentication is later than the first Record Date (hereinafter defined), such Principal Amount shall bear interest from the interest payment date next preceding the date of authentication, unless such date of authentication is after any Record Date but on or before the next following interest payment date, in which case such principal amount shall bear interest from such next following interest payment date; provided, however, that if on the date of authentication hereof the interest on the Certificate or Certificates, if any, for which this Certificate is being exchanged is due but

has not been paid, then this Certificate shall bear interest from the date to which such interest has been paid in full.

THE PRINCIPAL OF AND INTEREST ON this Certificate are payable in lawful money of the United States of America, without exchange or collection charges. The principal of this Certificate shall be paid to the registered owner hereof upon presentation and surrender of this Certificate at maturity, or upon the date fixed for its redemption prior to maturity, at the principal corporate trust office of U.S. Bank Trust Company, National Association, Dallas, Texas, which is the "Paying Agent/Registrar" for this Certificate. The payment of interest on this Certificate shall be made by the Paying Agent/Registrar to the registered owner hereof on each interest payment date by check or draft, dated as of such interest payment date, drawn by the Paying Agent/Registrar on, and payable solely from, funds of the City required by the ordinance authorizing the issuance of this Certificate (the "Certificate Ordinance") to be on deposit with the Paying Agent/Registrar for such purpose as hereinafter provided; and such check or draft shall be sent by the Paying Agent/Registrar by United States mail, first-class postage prepaid, on each such interest payment date, to the registered owner hereof, at its address as it appeared on the last business day of the month preceding each such date (the "Record Date") on the Registration Books kept by the Paying Agent/Registrar, as hereinafter described. In addition, interest may be paid by such other method, acceptable to the Paying Agent/Registrar, requested by, and at the risk and expense of, the registered owner. In the event of a non-payment of interest on a scheduled payment date, and for 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 business days prior to the Special Record Date by United States mail, first-class postage prepaid, to the address of each owner of a Certificate appearing on the Registration Books at the close of business on the last business day next preceding the date of mailing of such notice.

ANY ACCRUED INTEREST due at maturity or upon the redemption of this Certificate prior to maturity as provided herein shall be paid to the registered owner upon presentation and surrender of this Certificate for redemption and payment at the principal corporate trust office of the Paying Agent/Registrar. The City covenants with the registered owner of this Certificate that on or before each principal payment date, interest payment date, and accrued interest payment date for this Certificate it will make available to the Paying Agent/Registrar, from the "Interest and Sinking Fund" created by the Certificate Ordinance, the amounts required to provide for the payment, in immediately available funds, of all principal of and interest on the Certificates, when due.

IF THE DATE for the payment of the principal of or interest on this Certificate shall be a Saturday, Sunday, a legal holiday or a day on which banking institutions in the city where the principal corporate trust 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 that is not such a Saturday, Sunday, legal holiday or day on which banking institutions are authorized to close; and payment on such date shall have the same force and effect as if made on the original date payment was due.

THIS CERTIFICATE is dated _____, 2026, and is authorized in accordance with the Constitution and laws of the State of Texas in the principal amount of $_____, for the purpose of

paying all or a portion of the City's contractual obligations incurred in connection with (i) constructing and improving streets, roads and parking facilities, including related drainage, signalization, landscaping, sidewalks, lighting, screening walls, utility relocation and replacement, bridges, signage and streetscape improvements; (ii) designing, constructing, improving and equipping municipal parks and recreation facilities that are generally accessible to the public and are part of the City park system; and (iii) paying legal, fiscal and engineering fees in connection with such projects, including payment of the costs of issuance of the Certificates.

ON FEBRUARY 15, 20__, or any date thereafter, the Certificates of this series may be redeemed prior to their scheduled maturities, at the option of the City, with funds derived from any available and lawful source, as a whole, or in part, and, if in part, the particular Certificates, or portions thereof, to be redeemed shall be selected and designated by the City (provided that a portion of a Certificate may be redeemed only in an integral multiple of $5,000), at a redemption price equal to the principal amount to be redeemed plus accrued interest to the date fixed for redemption.

AT LEAST THIRTY days prior to the date fixed for any redemption of Certificates or portions thereof prior to maturity a written notice of such redemption shall be sent by the Paying Agent/Registrar by United States mail, first-class postage prepaid to the registered owner of each Certificate to be redeemed at its address as it appeared on the 45th day prior to such redemption date; provided, however, that the failure of the registered owner to receive such notice, or any defect therein or in the sending or mailing thereof, shall not affect the validity or effectiveness of the proceedings for the redemption of any Certificate. By the date fixed for any such redemption due provision shall be made with the Paying Agent/Registrar for the payment of the required redemption price for the Certificates or portions thereof that are to be so redeemed. If such written notice of redemption is sent and if due provision for such payment is made, all as provided above, the Certificates or portions thereof that are to be so redeemed thereby automatically shall be treated as redeemed prior to their scheduled maturities, and they shall not bear interest after the date fixed for redemption, and they shall not be regarded as being outstanding except for the right of the registered owner to receive the redemption price from the Paying Agent/Registrar out of the funds provided for such payment. If a portion of any Certificate shall be redeemed, a substitute Certificate or Certificates having the same maturity date, bearing interest at the same rate, in any denomination or denominations in any integral multiple of $5,000, at the written request of the registered owner, and in aggregate principal amount equal to the unredeemed portion thereof, will be issued to the registered owner upon the surrender thereof for cancellation, at the expense of the City, all as provided in the Certificate Ordinance.

WITH RESPECT TO ANY OPTIONAL REDEMPTION OF THE CERTIFICATES, unless certain prerequisites to such redemption required by the Certificate Ordinance have been met and money sufficient to pay the principal of and premium, if any, and interest on the Certificates to be redeemed will have been received by the Paying Agent/Registrar prior to the giving of such notice of redemption, such notice may state that said redemption may, at the option of the City, be conditional upon the satisfaction of such prerequisites and receipt of such money by the Paying Agent/Registrar on or prior to the date fixed for such redemption or upon any prerequisite set forth in such notice of redemption. If a conditional notice of redemption is given and such prerequisites to the redemption are not fulfilled, such notice will be of no force and effect, the City will not redeem such Certificates, and the Paying Agent/Registrar will give notice in the

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

ALL CERTIFICATES OF THIS SERIES are issuable solely as fully registered certificates, without interest coupons, in the principal denomination of any integral multiple of $5,000. As provided in the Certificate Ordinance, this Certificate may, at the request of the registered owner or the assignee or assignees hereof, be assigned, transferred, converted into and exchanged for a like aggregate principal amount of fully registered certificates, without interest coupons, payable to the appropriate registered owner, assignee or assignees, as the case may be, having the same denomination or denominations in any integral multiple of $5,000 as requested in writing by the appropriate registered owner, assignee or assignees, as the case may be, upon surrender of this Certificate to the Paying Agent/Registrar for cancellation, all in accordance with the form and procedures set forth in the Certificate Ordinance. Among other requirements for such assignment and transfer, this Certificate must be presented and surrendered to the Paying Agent/Registrar, together with proper instruments of assignment, in form and with guarantee of signatures satisfactory to the Paying Agent/Registrar, evidencing assignment of this Certificate or any portion or portions hereof in any integral multiple of $5,000 to the assignee or assignees in whose name or names this Certificate or any such portion or portions hereof is or are to be registered. The form of Assignment printed or endorsed on this Certificate may be executed by the registered owner to evidence the assignment hereof, but such method is not exclusive, and other instruments of assignment satisfactory to the Paying Agent/Registrar may be used to evidence the assignment of this Certificate or any portion or portions hereof from time to time by the registered owner. The Paying Agent/Registrar's reasonable standard or customary fees and charges for assigning, transferring, converting and exchanging any Certificate or portion thereof will be paid by the City. In any circumstance, any taxes or governmental charges required to be paid with respect thereto shall be paid by the one requesting such assignment, transfer, conversion or exchange, as a condition precedent to the exercise of such privilege. The Paying Agent/Registrar shall not be required to make any such transfer, conversion or exchange of any Certificates during the period commencing with the close of business on any Record Date and ending with the opening of business on the next following principal or interest payment date or, with respect to any Certificate or any portion thereof called for redemption prior to maturity, within 45 days prior to its redemption date; provided, however, such limitation on transfer shall not be applicable to an exchange by the registered owner of the uncalled balance of a Certificate called for redemption in part.

IN THE EVENT any Paying Agent/Registrar for the Certificates is changed by the City, resigns, or otherwise ceases to act as such, the City has covenanted in the Certificate Ordinance that it promptly will appoint a competent and legally qualified substitute therefor, and cause written notice thereof to be mailed to the registered owners of the Certificates.

IT IS HEREBY certified, recited and covenanted that this Certificate has been duly and validly authorized, issued and delivered; that all acts, conditions and things required or proper to be performed, exist and be done precedent to or in the authorization, issuance and delivery of this Certificate have been performed, existed and been done in accordance with law; that annual ad valorem taxes sufficient to provide for the payment of the interest on and principal of this Certificate, as such interest comes due and such principal matures, have been levied and ordered to be levied against all taxable property in said City, and have been pledged for such payment, within the limits prescribed by law, and that this Certificate is additionally secured by and payable from a limited pledge of $1,000 of the Surplus Revenues of the City's combined Waterworks and

Sewer System (the "System") remaining after payment of all operation and maintenance expenses thereof, and all debt service, reserve, and other requirements in connection with all of the City's revenue bonds or other obligations (now or hereafter outstanding) which are payable from all or any part of the net revenues of the System, all as provided in the Certificate Ordinance.

THE CITY HAS RESERVED THE RIGHT to amend the Certificate Ordinance as provided therein, and under some (but not all) circumstances amendments thereto must be approved by the registered owners of a majority in aggregate principal amount of the outstanding Certificates.

BY BECOMING the registered owner of this Certificate, the registered owner thereby acknowledges all of the terms and provisions of the Certificate Ordinance, agrees to be bound by such terms and provisions, acknowledges that the Certificate Ordinance is duly recorded and available for inspection in the official minutes and records of the governing body of the City, and agrees that the terms and provisions of this Certificate and the Certificate Ordinance constitute a contract between each registered owner hereof and the City.

IN WITNESS WHEREOF, the City has caused this Certificate to be signed with the manual or facsimile signature of the Mayor of the City and countersigned with the manual or facsimile signature of the City Secretary of said City, and has caused the official seal of the City to be duly impressed, or placed in facsimile, on this Certificate.

City Secretary City of Rowlett, Texas	Mayor City of Rowlett, Texas

(City Seal)

PAYING AGENT/REGISTRAR'S AUTHENTICATION CERTIFICATE
(To be executed if this Certificate is not accompanied by an executed Registration Certificate of the Comptroller of Public Accounts of the State of Texas)

It is hereby certified that this Certificate has been issued under the provisions of the Certificate Ordinance described in the text of this Certificate; and that this Certificate has been issued in conversion or replacement of, or in exchange for, a certificate, certificates, or a portion of a certificate or certificates of a series that originally was approved by the Attorney General of the State of Texas and registered by the Comptroller of Public Accounts of the State of Texas.

Dated: _____.

U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION, Dallas, Texas
Paying Agent/Registrar

By: _____
Authorized Representative

ASSIGNMENT

For value received, the undersigned hereby sells, assigns and transfers unto:

_____

Please insert Social Security or Taxpayer Identification Number of Transferee

_____

Please print or type name and address, including zip code of Transferee

the within Certificate and all rights thereunder, and hereby irrevocably constitutes and appoints: _____, attorney, to register the transfer of the within Certificate on the books kept for registration thereof, with full power of substitution in the premises.

Dated: _____.

Signature Guaranteed:

NOTICE: Signature(s) must be guaranteed by an eligible guarantor institution participating in a securities transfer association recognized signature guarantee program.	NOTICE: The signature above must correspond with the name of the registered owner as it appears upon the front of this Certificate in every particular, without alteration or enlargement or any change whatsoever.

COMPTROLLER'S REGISTRATION CERTIFICATE: REGISTER NO. _____

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 that this Certificate has been registered by the Comptroller of Public Accounts of the State of Texas.

Witness my signature and seal this _____.

_____
Comptroller of Public Accounts
of the State of Texas

(COMPTROLLER'S SEAL)

(b) Initial Certificate Insertions.

(i) The initial Certificate shall be in the form set forth is paragraph (a) of this Section, except that:

A. immediately under the name of the Certificate, the headings "Interest Rate" and "Maturity Date" shall both be completed with the words "As shown below" and "CUSIP No. _____" shall be deleted.

B. the first paragraph shall be deleted and the following will be inserted:

"THE CITY OF ROWLETT, TEXAS, in Dallas and Rockwall Counties, Texas (the "City"), being a political subdivision and municipal corporation of the State of Texas, hereby promises to pay to the Registered Owner specified above, or registered assigns (hereinafter called the "Registered Owner"), on February 15 in each of the years, in the principal amounts and bearing interest at the per annum rates set forth in the following schedule

Maturity Date	Principal Amount	Interest Rate
2027		
2028		
2029		
2030		
2031		
2032		
2033		
2034		
2035		
2036		
2037		
2038		
2039		
2040		
2041		
2042		
2043		
2044		
2045		
2046		

The City promises to pay interest on the unpaid principal amount hereof (calculated on the basis of a 360-day year of twelve 30-day months) from the Delivery Date above, at the respective Interest Rate per annum specified above. Interest is payable on [February 15, 2027 and semiannually on each August 15 and February 15] thereafter to the date of payment of the principal installment specified above, or the date of redemption prior to maturity; except, that if this Certificate is required to be authenticated and the date of its authentication is later than the first Record Date (hereinafter defined), such Principal Amount shall bear interest from the interest payment date next preceding the date of authentication, unless such date of authentication is after any Record Date but on or before the next following interest payment date, in which case such principal amount shall bear interest from such next following interest payment date; provided, however, that if on the date of authentication hereof the interest on the Certificate or Certificates,

if any, for which this Certificate is being exchanged is due but has not been paid, then this Certificate shall bear interest from the date to which such interest has been paid in full."

C. The initial Certificate shall be numbered "T-1."

ORDINANCE AUTHORIZING THE ISSUANCE OF CITY OF ROWLETT, TEXAS, TAX NOTES, SERIES 2026, ESTABLISHING SALE PARAMETERS, PROVIDING FOR THE SECURITY FOR AND PAYMENT OF SAID NOTES; AND ENACTING OTHER PROVISIONS RELATING TO THE SUBJECT

THE STATE OF TEXAS	§
COUNTIES OF DALLAS AND ROCKWALL	§
CITY OF ROWLETT	§

WHEREAS, the City Council (the "Council") of the City of Rowlett, Texas (the "City") hereby finds and determines that it is necessary, useful and appropriate for the City's public purposes to authorize and provide for the issuance and sale of a note of the City for the purposes hereinafter set forth, as authorized by Chapter 1431, Texas Government Code, as amended; and

WHEREAS, the Notes are being issued and delivered pursuant to Chapter 1371 (defined below), Chapter 1431 (defined below), and the City's Home Rule Charter; and; and

WHEREAS, the City is an "issuer" under Section 1371.001(4)(P), Texas Government Code, having (i) a principal amount of at least $100 million in outstanding long-term indebtedness, in long-term indebtedness proposed to be issued, or a combination of outstanding or proposed long-term indebtedness and (ii) some amount of long-term indebtedness outstanding or proposed to be issued that is rated in one of the four highest rating categories for long-term debt instruments by a nationally recognized rating agency for municipal securities, without regard to the effect of any credit agreement or other form of credit enhancement entered into in connection with the obligation; and

WHEREAS, the Council hereby finds and determines that it is in the best interests of the City to issue the Notes, in one or more series, for the purposes stated herein, and to delegate to the Pricing Officer the authority to act on behalf of the City in selling and delivering the Notes and setting the dates, price, interest rates, interest payment periods and other procedures relating thereto, as hereinafter specified, with such information and terms to be included in one or more Pricing Certificates to be executed by the Pricing Officer, all in accordance with the provisions of Section 1371.053, Texas Government Code, as amended; and

WHEREAS, it is officially found, determined and declared that the meeting at which this Ordinance has been adopted was open to the public, and public notice of the date, hour, place and subject of said meeting, including this Ordinance, was given, all as required by the applicable provisions of Chapter 551, Texas Government Code, as amended;

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

Section 1. RECITALS, AMOUNT, PURPOSE AND DESIGNATION OF THE NOTES. (a) The recitals set forth in the preamble hereof are incorporated herein and shall have the same force and effect as if set forth in this Section.

(b) The Notes are hereby authorized to be issued and delivered, in one or more series, in the maximum aggregate principal amount hereinafter set forth for the public purposes of (i) paying the costs of the Projects (defined below) and (ii) paying the costs incurred in connection with the issuance of the Notes

(c) Each Note issued pursuant to this Ordinance shall be designated: "CITY OF ROWLETT, TEXAS, TAX NOTE, SERIES 2026", or such other designation set forth in a Pricing Certificate, as single series of notes or as multiple series of notes, to be determined by the Pricing Officer in one or more Pricing Certificates, and initially there shall be issued, sold, and delivered hereunder fully registered Notes, without interest coupons, payable to the respective registered owners thereof (with the initial Note(s) being made payable to the Underwriter as described herein), or to the registered assignee or assignees of said notes or any portion or portions thereof (in each case, the "Registered Owner"). The Notes shall be in the respective denominations and principal amounts, shall be numbered, shall mature and be payable on the date or dates in each of the years and in the principal amounts or amounts due at maturity, as applicable, and shall bear interest to their respective dates of maturity at the rates per annum, as set forth in one or more Pricing Certificates.

Section 2. DEFINITIONS. Unless otherwise expressly provided or unless the context clearly requires otherwise in this Ordinance, the following terms shall have the meanings specified below:

"Attorney General" shall mean the Attorney General of the State.

"Authorized Officials" means the Mayor, the Mayor Pro Tem, the City Secretary and each Pricing Officer.

"Chapter 1201" means Chapter 1201, Texas Government Code, as amended.

"Chapter 1206" means Chapter 1206, Texas Government Code, as amended.

"Chapter 1208" means Chapter 1208, Texas Government Code, as amended.

"Chapter 1371" means Chapter 1371, Texas Government Code, as amended.

"Chapter 1431" means Chapter 1431, Texas Government Code, as amended.

"Code" means the Internal Revenue Code of 1986, as amended.

"Comptroller" shall mean the Comptroller of Public Accounts of the State.

"Delivery Date" shall mean the date or dates of delivery of any series of Notes to the Underwriter against payment therefor, as determined by the Pricing Officer in the Pricing Certificate.

"Notes" means and includes the Notes initially issued and delivered pursuant to this Ordinance and all substitute Notes exchanged therefor, as well as all other substitute Notes and replacement Notes issued pursuant hereto, and the term "Note" shall mean any of the Notes.

"Projects" shall mean (i) the purchase of materials, equipment and vehicles for the animal services department, community development department, community engagement department, economic development department, engineering department, fire department, human resources department, information technology department, library department, parks and recreation department, police department, public health department, public works department and utility billing department; (ii) information technology and communication equipment; (iii) renovating, improving and equipping the Fire Administration Building, Fire Station #1, Fire Station #2, Fire Station #3, Fire Station #4, Police Headquarters, Jail and Court Building, Municipal Complex housing the City Manager's Office, the City Secretary, City Council Chambers, Financial Services, Human Resources, Information Technology and Public Information Office, Development Services Building housing Economic Development, Community Development and Engineering, Public Works Administrative Building housing Public Works crews and administration and Fleet Bay/Fleet Administration, Rowlett Community Center, Coyle House, Animal Shelter and Parks Maintenance Crew Building; (iv) paying fees for legal, fiscal, engineering, architectural and other professional services in connection with these projects.

"Purchase Contract" means (i) a Note purchase agreement between the City and the Underwriter, pertaining to the purchase of the Notes by the Underwriter sold through a negotiated sale conducted as a public underwriting; (ii) a private placement agreement between the City and the Underwriter, pertaining to the purchase of the Notes by the Underwriter sold through a negotiated sale conducted as a private placement; and (iii) the bid form prepared in accordance with the notice of sale and bidding instructions and submitted by potential purchasers of any Notes sold pursuant to a competitive sale.

"State" shall mean the State of Texas.

"Underwriter" shall mean the initial purchaser(s) of the Notes designated by the Pricing Officer in the Pricing Certificate.

Section 3. DELEGATION TO PRICING OFFICER. (a) As authorized by Section 1371.053, Texas Government Code, as amended, the City Manager and the Finance Director of the City are each individually hereby authorized to act on behalf of the City in selling and delivering the Notes and carrying out the procedures specified in this Ordinance (of which

officers, the officer executing the Pricing Certificate shall be hereinafter referred to as, and shall for all purposes be, the "Pricing Officer"), including determining whether the Notes shall be issued in one or more series or subseries, determining the principal amount of Notes to be issued, the amount to be applied against each proposition, determining whether the Notes shall be issued in one or more series or subseries, the date or dates of the Notes, any additional or different designation or title by which the Notes shall be known, the price at which the Notes will be sold, the years in which the Notes will mature, the principal amount to mature in each of such years, the rate of interest to be borne by each such maturity, the interest payment and record dates, the price and terms, if any, upon and at which the Notes shall be subject to redemption prior to maturity at the option of the City, as well as any mandatory sinking fund redemption provisions, whether the Notes of any series shall be designated as "qualified tax-exempt obligations" as defined in section 265(b)(3) of the Code, approving modifications or additions to the Rule 15c2-12 continuing disclosure undertaking, approving modifications to the term Defeasance Securities, and all other matters relating to the issuance, sale, and delivery of the Notes, including without limitation procuring municipal bond insurance and approving modifications to this Ordinance and executing such instruments, documents and agreements as may be necessary with respect thereto, if it is determined that such insurance would be financially desirable and advantageous, all of which shall be specified in the Pricing Certificate, provided that:

(i) the maximum original principal amount of Notes shall not exceed $5,622,000;

(ii) the maximum maturity for any Notes shall be February 15, 2033; and

(iii) the true interest cost for any series of Notes shall not exceed 5.50%.

(b) In establishing the aggregate principal amount of the Notes, the Pricing Officer shall establish an amount not exceeding the amount authorized in Subsection (a) above, which shall be sufficient in amount to provide for the purposes for which the Notes are authorized and to pay costs of issuing the Notes. The delegation made hereby shall expire if not exercised by the Pricing Officer on or prior to July 20, 2027. The Pricing Officer may determine to issue one or more series of Notes and may exercise the authority granted herein on one or more dates to effectuate the issuance of multiple series of Notes if multiple series are issued and, if multiple series are issued, each separate series may close on separate dates or on the same date, as determined by the Pricing Officer. The Notes shall be sold at such prices, with and subject to such terms as set forth in one or more Pricing Certificates.

(c) The Notes of one or more series may be sold by public offering (either through a negotiated or competitive offering) or by private placement. If the Notes of one or more series are sold by private placement, the applicable Pricing Certificate shall so state, and the applicable Pricing Certificate may make changes to this Ordinance to effect such private placement of such Notes, including the provisions hereof that pertain to the book-entry-only procedures (including eliminating the book-entry-only system of registrations, payment and transfers) and to the

provisions relating to the Rule 15c2-12 undertaking (including eliminating or replacing such undertaking with an agreement to provide alternative disclosure information).

(d) In satisfaction of Section 1201.022(a)(3)(B), Texas Government Code, the Council hereby determines that the delegation of the authority to the Pricing Officer to approve the final terms of the Notes set forth in this Ordinance is, and the decisions made by the Pricing Officer pursuant to such delegated authority and incorporated into the Pricing Certificate will be, the most advantageous reasonably available, and the Pricing Officer is hereby authorized to make and include a finding to that effect in the Pricing Certificate.

Section 4. CHARACTERISTICS OF THE NOTES. (a) Registration, Transfer, Conversion and Exchange. The City shall keep or cause to be kept at the designated office of the bank named in the Pricing Certificate as the paying agent/registrar for the Notes (the "Paying Agent/Registrar"), books or records for the registration of the transfer, conversion and exchange of the Notes (the "Registration Books"), and the City hereby appoints the Paying Agent/Registrar as its registrar and transfer agent to keep such books or records and make such registrations of transfers, conversions and exchanges under such reasonable regulations as the City and Paying Agent/Registrar may prescribe; and the Paying Agent/Registrar shall make such registrations, transfers, conversions and exchanges as herein provided within three days of presentation in due and proper form. The Paying Agent/Registrar shall obtain and record in the Registration Books the address of the registered owner of each Note to which payments with respect to the Notes shall be mailed, as herein provided; but it shall be the duty of each registered owner to notify the Paying Agent/Registrar in writing of the address to which payments shall be mailed, and such interest payments shall not be mailed unless such notice has been given. The City shall have the right to inspect the Registration Books during regular business hours of the Paying Agent/Registrar, but otherwise the Paying Agent/Registrar shall keep the Registration Books confidential and, unless otherwise required by law, shall not permit their inspection by any other entity. The City shall pay the Paying Agent/Registrar's standard or customary fees and charges for making such registration, transfer, conversion, exchange and delivery of a substitute Note or Notes. Registration of assignments, transfers, conversions and exchanges of Notes shall be made in the manner provided and with the effect stated in the FORM OF NOTE set forth as **Exhibit A** of this Ordinance. Each substitute Note shall bear a letter and/or number to distinguish it from each other Note.

(b) Authentication. Except as provided in subsection (e) of this Section, an authorized representative of the Paying Agent/Registrar shall, before the delivery of any such Note, date and manually sign said Note, and no such Note shall be deemed to be issued or outstanding unless such Note is so executed. The Paying Agent/Registrar promptly shall cancel all paid Notes and Notes surrendered for conversion and exchange. No additional ordinances, orders or resolutions need be passed or adopted by the governing body of the City or any other body or person so as to accomplish the foregoing conversion and exchange of any Note or portion thereof, and the Paying Agent/Registrar shall provide for the printing, execution and delivery of the substitute Notes in the manner prescribed herein. Pursuant to Subchapter D of

Chapter 1201, the duty of conversion and exchange of Notes as aforesaid is hereby imposed upon the Paying Agent/Registrar, and, upon the execution of said Note, the converted and exchanged Note shall be valid, incontestable, and enforceable in the same manner and with the same effect as the Notes which initially were issued and delivered pursuant to this Ordinance, approved by the Attorney General and registered by the Comptroller.

(c) Payment of Notes and Interest. The City hereby further appoints the Paying Agent/Registrar to act as the paying agent for paying the principal of and interest on the Notes, all as provided in this Ordinance. The Paying Agent/Registrar shall keep proper records of all payments made by the City and the Paying Agent/Registrar with respect to the Notes, and of all conversions and exchanges of Notes, and all replacements of Notes, as provided in this Ordinance. However, 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 registered owner appearing on the Registration Books at the close of business on the last business day next preceding the date of mailing of such notice.

(d) Substitute Paying Agent/Registrar. The City covenants with the registered owners of the Notes that at all times while the Notes are outstanding the City will provide a competent and legally qualified bank, trust company, financial institution or other agency to act as and perform the services of Paying Agent/Registrar for the Notes under this Ordinance, and that the Paying Agent/Registrar will be one entity. The City reserves the right to, and may, at its option, change the Paying Agent/Registrar upon not less than 50 days written notice to the Paying Agent/Registrar, to be effective not later than 45 days prior to the next principal or interest payment date after such notice. In the event that the entity at any time acting as Paying Agent/Registrar (or its successor by merger, acquisition, or other method) should resign or otherwise cease to act as such, the City covenants that promptly it will appoint a competent and legally qualified bank, trust company, financial institution, or other agency to act as Paying Agent/Registrar under this Ordinance. Upon any change in the Paying Agent/Registrar, the previous Paying Agent/Registrar promptly shall transfer and deliver the Registration Books (or a copy thereof), along with all other pertinent books and records relating to the Notes, to the new Paying Agent/Registrar designated and appointed by the City. Upon any change in the Paying Agent/Registrar, the City promptly will cause a written notice thereof to be sent by the new Paying Agent/Registrar to each registered owner of the Notes, by United States mail, first-class postage prepaid, which notice also shall give the address of the new Paying Agent/Registrar. By accepting the position and performing as such, each Paying Agent/Registrar shall be deemed to have agreed to the provisions of this Ordinance, and a certified copy of this Ordinance shall be delivered to each Paying Agent/Registrar.

(e) General Characteristics of the Notes. The Notes (i) shall be issued in fully registered form, without interest coupons, with the principal of and interest on such Notes to be payable only to the Registered Owners thereof, (ii) may be transferred and assigned, (iii) may be converted and exchanged for other Notes, (iv) shall have the characteristics, (v) shall be signed, sealed, executed and authenticated, (vi) the principal of and interest on the Notes shall be payable, and (vii) shall be administered and the Paying Agent/Registrar and the City shall have certain duties and responsibilities with respect to the Notes, all as provided, and in the manner and to the effect as required or indicated, in the FORM OF NOTE set forth as **Exhibit A** of this Ordinance. The Notes initially issued and delivered pursuant to this Ordinance are not required to be, and shall not be, authenticated by the Paying Agent/Registrar, but on each substitute Note issued in conversion of and exchange for any Note or Notes issued under this Ordinance the Paying Agent/Registrar shall execute the Paying Agent/registrar's Authentication Certificate, in the FORM OF NOTE set forth as **Exhibit A** of this Ordinance.

(f) Book-Entry-Only System. Unless the Notes are sold by private placement, the Notes issued in exchange for the Notes initially issued to the Underwriter shall be initially issued in the form of a separate single fully registered Note for each of the maturities thereof. Upon initial issuance, the ownership of each such Note shall be registered in the name of Cede & Co., as nominee of The Depository Trust Company of New York ("DTC"), and except as provided in subsection (g) of this Section, all of the outstanding Notes shall be registered in the name of Cede & Co., as nominee of DTC.

With respect to Notes registered in the name of Cede & Co., as nominee of DTC, the City and the Paying Agent/Registrar shall have no responsibility or obligation to any securities brokers and dealers, banks, trust companies, clearing corporations and certain other organizations on whose behalf DTC was created ("DTC Participant") to hold securities to facilitate the clearance and settlement of securities transactions among DTC Participants or to any person on behalf of whom such a DTC Participant holds an interest in the Notes. Without limiting the immediately preceding sentence, the City and the Paying Agent/Registrar shall have no responsibility or obligation with respect to (i) the accuracy of the records of DTC, Cede & Co. or any DTC Participant with respect to any ownership interest in the Notes, (ii) the delivery to any DTC Participant or any other person, other than a registered owner of Notes, as shown on the Registration Books, of any notice with respect to the Notes, or (iii) the payment to any DTC Participant or any other person, other than a registered owner of Notes, as shown in the Registration Books of any amount with respect to principal of or interest on the Notes. Notwithstanding any other provision of this Ordinance to the contrary, the City and the Paying Agent/Registrar shall be entitled to treat and consider the person in whose name each Note is registered in the Registration Books as the absolute owner of such Note for the purpose of payment of principal and interest with respect to such Note, for the purpose of registering transfers with respect to such Note, and for all other purposes whatsoever. The Paying Agent/Registrar shall pay all principal of and interest on the Notes only to or upon the order of the registered owners, as shown in the Registration Books as provided in this Ordinance, or their respective attorneys duly authorized in writing, and all such payments shall be valid and

effective to fully satisfy and discharge the City's obligations with respect to payment of principal of and interest on the Notes to the extent of the sum or sums so paid. No person other than a registered owner, as shown in the Registration Books, shall receive a Note certificate evidencing the obligation of the City to make payments of principal and interest pursuant to this Ordinance. Upon delivery by DTC to the Paying Agent/Registrar of written notice to the effect that DTC has determined to substitute a new nominee in place of Cede & Co., and subject to the provisions in this Ordinance with respect to interest checks being mailed to the registered owner at the close of business on the Record Date, the words "Cede & Co." in this Ordinance shall refer to such new nominee of DTC.

(g) Successor Securities Depository; Transfers Outside Book-Entry-Only System. If the Notes are subject to the DTC book-entry system, and in the event that the City determines that DTC is incapable of discharging its responsibilities described herein and in the City's Blanket Issuer Letter of Representations to DTC or that it is in the best interest of the beneficial owners of the Notes that they be able to obtain certificated Notes, the City shall (i) appoint a successor securities depository, qualified to act as such under Section 17A of the Securities and Exchange Act of 1934, as amended, notify DTC and DTC Participants of the appointment of such successor securities depository and transfer one or more separate Notes to such successor securities depository or (ii) notify DTC and DTC Participants of the availability through DTC of Notes and transfer one or more separate Notes to DTC Participants having Notes credited to their DTC accounts. In such event, the Notes shall no longer be restricted to being registered in the Registration Books in the name of Cede & Co., as nominee of DTC, but may be registered in the name of the successor securities depository, or its nominee, or in whatever name or names registered owners transferring or exchanging Notes shall designate, in accordance with the provisions of this Ordinance.

(h) Payments to Cede & Co. Notwithstanding any other provision of this Ordinance to the contrary, so long as any Note is registered in the name of Cede & Co., as nominee of DTC, all payments with respect to principal of and interest on such Note and all notices with respect to such Note shall be made and given, respectively, in the manner provided in the City's Blanket Issuer Letter of Representations to DTC.

(i) Cancellation of Initial Note(s). On the Delivery Date, one initial Note representing the entire principal amount of the Notes, payable in stated installments to the order of the Underwriter or its designee, executed by manual or facsimile signature of the Mayor and City Secretary, approved by the Attorney General, and registered and signed by the Comptroller in the manner prescribed by law, will be delivered to the Underwriter or its designee. If the Notes are sold subject to the book-entry system of DTC, then upon payment for the initial Note(s), the Paying Agent/Registrar shall insert the Delivery Date on the initial Note(s), cancel each of the initial Note(s) and deliver to DTC on behalf of the Underwriter one registered definitive Note for each year of maturity of the Notes, in the aggregate principal amount of all of the Notes for such maturity, registered in the name of Cede & Co., as nominee of DTC. To the extent that the Paying Agent/Registrar is eligible to participate in DTC's FAST System, pursuant to an

agreement between the Paying Agent/Registrar and DTC, the Paying Agent/Registrar shall hold the definitive Notes in safekeeping for DTC.

Section 5. FORM OF NOTES. The form of the Note, including the form of Paying Agent/Registrar's Authentication Certificate, the form of Assignment and the form of Registration Certificate of the Comptroller of Public Accounts of the State to be attached only to the Notes initially issued and delivered pursuant to this Ordinance, shall be, respectively, substantially in the form provided in **Exhibit A**, with such appropriate variations, omissions, or insertions as are permitted or required by this Ordinance. The Form of Note as it appears in **Exhibit A** shall be completed, amended and modified by Bond Counsel to incorporate the information set forth in the Pricing Certificate, but it is not required for the Form of Note to be reproduced as an exhibit to the Pricing Certificate.

Section 6. TAX LEVY. (a) A special "Interest and Sinking Fund" is hereby created and shall be established and maintained by the City as a separate fund or account and the funds therein shall be deposited into and held at an official depository bank of said City. Said Interest and Sinking Fund shall be kept separate and apart from all other funds and accounts of said City, and shall be used only for paying the interest on and principal of said Notes. All amounts received from the sale of the Notes as accrued interest shall be deposited upon receipt to the Interest and Sinking Fund, and all ad valorem taxes levied and collected for and on account of said Notes shall be deposited, as collected, to the credit of said Interest and Sinking Fund. During each year while any of said Notes are outstanding and unpaid, the governing body of said City shall compute and ascertain a rate and amount of ad valorem tax that will be sufficient to raise and produce the money required to pay the interest on said Notes as such interest comes due, and to provide and maintain a sinking fund adequate to pay the principal of said Notes as such principal matures (but never less than 2% of the original amount of said Notes as a sinking fund each year); and said tax shall be based on the latest approved tax rolls of said City, with full allowances being made for tax delinquencies and the cost of tax collection. Said rate and amount of ad valorem tax is hereby levied, and is hereby ordered to be levied, against all taxable property in said City, for each year while any of said Notes are outstanding and unpaid, and said tax shall be assessed and collected each such year and deposited to the credit of the aforesaid Interest and Sinking Fund. Said ad valorem taxes sufficient to provide for the payment of the interest on and principal of said Notes, as such interest comes due and such principal matures, are hereby pledged for such payment, within the limit prescribed by law. If lawfully available moneys of the City are actually on deposit in the Interest and Sinking Fund in advance of the time when ad valorem taxes are scheduled to be levied for any year, then the amount of taxes that otherwise would have been required to be levied pursuant to this Section may be reduced to the extent and by the amount of the lawfully available funds then on deposit in the Interest and Sinking Fund.

(b) Chapter 1208 applies to the issuance of the Notes and the pledge of the taxes granted by the City under this Section, and is therefore valid, effective, and perfected. Should State law be amended at any time while the Notes are outstanding and unpaid, the result of such

amendment being that the pledge of the taxes granted by the City under this Section is to be subject to the filing requirements of Chapter 9, Business and Commerce Code, in order to preserve to the registered owners of the Notes a security interest in said pledge, the City agrees to take such measures as it determines are reasonable and necessary under State law to comply with the applicable provisions of Chapter 9, Texas Business and Commerce Code and enable a filing of a security interest in said pledge to occur.

Section 7. DEFEASANCE OF NOTES. (a) Any Note and the interest thereon shall be deemed to be paid, retired, and no longer outstanding (a "Defeased Note") within the meaning of this Ordinance, except to the extent provided in subsection (d) of this Section, when payment of the principal of such Note, plus interest thereon to the due date (whether such due date be by reason of maturity or otherwise) either (i) shall have been made or caused to be made in accordance with the terms thereof, or (ii) shall have been provided for on or before such due date by irrevocably depositing with or making available to the Paying Agent/Registrar in accordance with an agreement or other instrument (the "Future Escrow Agreement") for such payment (1) lawful money of the United States of America sufficient to make such payment or (2) Defeasance Securities that mature as to principal and interest in such amounts and at such times as will insure the availability, without reinvestment, of sufficient money to provide for such payment, and when proper arrangements have been made by the City with the Paying Agent/Registrar for the payment of its services until all Defeased Notes shall have become due and payable. At such time as a Note shall be deemed to be a Defeased Note hereunder, as aforesaid, such Note and the interest thereon shall no longer be secured by, payable from, or entitled to the benefits of, the ad valorem taxes herein levied and pledged as provided in this Ordinance, and such principal and interest shall be payable solely from such money or Defeasance Securities, and thereafter the City will have no further responsibility with respect to amounts available to the Paying Agent/Registrar (or other financial institution permitted by applicable law) for the payment of such Defeased Notes, including any insufficiency therein caused by the failure of the Paying Agent/Registrar (or other financial institution permitted by applicable law) to receive payment when due on the Defeasance Securities.

(b) Any moneys so deposited with the Paying Agent/Registrar may at the written direction of the City also be invested in Defeasance Securities, maturing in the amounts and times as hereinbefore set forth, and all income from such Defeasance Securities received by the Paying Agent/Registrar that is not required for the payment of the Notes and interest thereon, with respect to which such money has been so deposited, shall be turned over to the City, or deposited as directed in writing by the City. Any Future Escrow Agreement pursuant to which the money and/or Defeasance Securities are held for the payment of Defeased Notes may contain provisions permitting the investment or reinvestment of such moneys in Defeasance Securities or the substitution of other Defeasance Securities upon the satisfaction of the requirements specified in subsections (a)(i) or (ii) of this Section. All income from such Defeasance Securities received by the Paying Agent/Registrar which is not required for the payment of the Defeased Notes, with respect to which such money has been so deposited, shall be remitted to the City or deposited as directed in writing by the City.

(c) The term "Defeasance Securities" means any securities and obligations now or hereafter authorized by State law that are eligible to refund, retire or otherwise discharge obligations such as the Notes.

(d) Until all Defeased Notes shall have become due and payable, the Paying Agent/Registrar shall perform the services of Paying Agent/Registrar for such Defeased Notes the same as if they had not been defeased, and the City shall make proper arrangements to provide and pay for such services as required by this Ordinance.

(e) In the event that the City elects to defease less than all of the principal amount of Notes of a maturity, the Paying Agent/Registrar shall select, or cause to be selected, such amount of Notes by such random method as it deems fair and appropriate.

Section 8. DAMAGED, MUTILATED, LOST, STOLEN, OR DESTROYED NOTES. (a) Replacement Notes. In the event any outstanding Note is damaged, mutilated, lost, stolen, or destroyed, the Paying Agent/Registrar shall cause to be printed, executed, and delivered, a new Note of the same principal amount, maturity, and interest rate, as the damaged, mutilated, lost, stolen, or destroyed Note, in replacement for such Note in the manner hereinafter provided.

(b) Application for Replacement Notes. Application for replacement of damaged, mutilated, lost, stolen, or destroyed Notes shall be made by the registered owner thereof to the Paying Agent/Registrar. In every case of loss, theft, or destruction of a Note, the registered owner applying for a replacement Note shall furnish to the City and to the Paying Agent/Registrar such security or indemnity as may be required by them to save each of them harmless from any loss or damage with respect thereto. Also, in every case of loss, theft, or destruction of a Note, the registered owner shall furnish to the City and to the Paying Agent/Registrar evidence to their satisfaction of the loss, theft, or destruction of such Note. In every case of damage or mutilation of a Note, the registered owner shall surrender to the Paying Agent/Registrar for cancellation the Note so damaged or mutilated.

(c) No Default Occurred. Notwithstanding the foregoing provisions of this Section, in the event any such Note shall have matured, and no default has occurred which is then continuing in the payment of the principal of or interest on the Note, the City may authorize the payment of the same (without surrender thereof except in the case of a damaged or mutilated Note) instead of issuing a replacement Note, provided security or indemnity is furnished as above provided in this Section.

(d) Charge for Issuing Replacement Notes. Prior to the issuance of any replacement Note, the Paying Agent/Registrar shall charge the registered owner of such Note with all legal, printing, and other expenses in connection therewith. Every replacement Note issued pursuant to the provisions of this Section by virtue of the fact that any Note is lost, stolen, or destroyed shall

constitute a contractual obligation of the City whether or not the lost, stolen, or destroyed Note shall be found at any time, or be enforceable by anyone, and shall be entitled to all the benefits of this Ordinance equally and proportionately with any and all other Notes duly issued under this Ordinance.

(e) Authority for Issuing Replacement Notes. In accordance with Subchapter B of Chapter 1206, this Section shall constitute authority for the issuance of any such replacement Note without necessity of further action by the governing body of the City or any other body or person, and the duty of the replacement of such Notes is hereby authorized and imposed upon the Paying Agent/Registrar, and the Paying Agent/Registrar shall authenticate and deliver such Notes in the form and manner and with the effect, as provided in this Ordinance for Notes issued in conversion and exchange for other Notes.

Section 9. CUSTODY, APPROVAL, AND REGISTRATION OF NOTES; BOND COUNSEL'S OPINION; CUSIP NUMBERS AND CONTINGENT INSURANCE PROVISION, IF OBTAINED. The Mayor (or, in the absence of the Mayor, the Mayor Pro Tem) is hereby authorized to have control of the Notes initially issued and delivered hereunder and all necessary records and proceedings pertaining to the Notes pending their delivery and their investigation, examination and approval by the Attorney General, and their registration by the Comptroller. Upon registration of the Notes, the Comptroller (or a deputy designated in writing to act for the Comptroller) shall sign the Comptroller's Registration Certificate attached to such Notes in the manner prescribed by law, and the seal of the Comptroller shall be impressed, or placed in facsimile, on such Note. The approving legal opinion of the City's Bond Counsel and the assigned CUSIP numbers may, at the option of the City, be printed on the Notes issued and delivered under this Ordinance, but neither shall have any legal effect, and shall be solely for the convenience and information of the registered owners of the Notes. In addition, if Bond insuranceis obtained, the Notes may bear an appropriate legend as provided by the insurer.

Section 10. COVENANTS REGARDING TAX EXEMPTION OF INTEREST ON THE NOTES. (a) Covenants. The City covenants to take any action necessary to assure, or refrain from any action which would adversely affect, the treatment of the Notes as obligations described in section 103 of the Code, the interest on which is not includable in the "gross income" of the holder for purposes of federal income taxation. In furtherance thereof, the City covenants as follows:

(i) to take any action to assure that no more than 10 percent of the proceeds of the Notes or the projects financed therewith (less amounts deposited to a reserve fund, if any) are used for any "private business use," as defined in section 141(b)(6) of the Code or, if more than 10 percent of the proceeds or the projects financed therewith are so used, such amounts, whether or not received by the City, with respect to such private business use, do not, under the terms of this Ordinance or any underlying arrangement, directly or indirectly, secure or provide for the payment of more than 10 percent of the debt service on the Notes, in contravention of section 141(b)(2) of the Code;

(ii) to take any action to assure that in the event that the "private business use" described in subsection (1) hereof exceeds 5 percent of the proceeds of the Notes or the projects financed therewith (less amounts deposited into a reserve fund, if any) then the amount in excess of 5 percent is used for a "private business use" which is "related" and not "disproportionate," within the meaning of section 141(b)(3) of the Code, to the governmental use;

(iii) to take any action to assure that no amount which is greater than the lesser of $5,000,000, or 5 percent of the proceeds of the Notes (less amounts deposited into a reserve fund, if any) is directly or indirectly used to finance loans to persons, other than state or local governmental units, in contravention of section 141(c) of the Code;

(iv) to refrain from taking any action which would otherwise result in the Notes being treated as "private activity Notes" within the meaning of section 141(b) of the Code;

(v) to refrain from taking any action that would result in the Notes being "federally guaranteed" within the meaning of section 149(b) of the Code;

(vi) to refrain from using any portion of the proceeds of the Notes, directly or indirectly, to acquire or to replace funds which were used, directly or indirectly, to acquire investment property (as defined in section 148(b)(2) of the Code) which produces a materially higher yield over the term of the Notes, other than investment property acquired with:

(A) proceeds of the Notes invested for a reasonable temporary period of 5 years or less or, in the case of a refunding bond, for a period of 90 days or less until such proceeds are needed for the purpose for which the Notes are issued,

(B) amounts invested in a bona fide debt service fund, within the meaning of section l.148 1(b) of the Treasury Regulations, and

(C) amounts deposited in any reasonably required reserve or replacement fund to the extent such amounts do not exceed 10 percent of the proceeds of the Notes;

(vii) to otherwise restrict the use of the proceeds of the Notes or amounts treated as proceeds of the Notes, as may be necessary, so that the Notes do not otherwise contravene the requirements of section 148 of the Code (relating to arbitrage);

(viii) to refrain from using the proceeds of the Notes or proceeds of any prior Notes to pay debt service on another issue more than 90 days after the date of issue of the Notes in contravention of the requirements of section 149(d) of the Code (relating to advance refundings);

(ix) to pay to the United States of America at least once during each five-year period (beginning on the date of delivery of the Notes) an amount that is at least equal to 90 percent of the "Excess Earnings," within the meaning of section 148(f) of the Code and

to pay to the United States of America, not later than 60 days after the Notes have been paid in full, 100 percent of the amount then required to be paid as a result of Excess Earnings under section 148(f) of the Code; and

(x) to establish reasonable expectations to prevent using the proceeds of the Notes in contravention of the requirements of section 149(g) of the Code (relating to hedge bonds).

(b) Rebate Fund. In order to facilitate compliance with the above covenant (8), a "Rebate Fund" is hereby established by the City for the sole benefit of the United States of America, and such fund shall not be subject to the claim of any other person, including without limitation the Noteholders. The Rebate Fund is established for the additional purpose of compliance with section 148 of the Code.

(c) Use of Proceeds. The City understands that the term "proceeds" includes "disposition proceeds" as defined in the Treasury Regulations and, in the case of refunding bonds, transferred proceeds (if any) and proceeds of the refunded bonds expended prior to the date of issuance of the Notes. It is the understanding of the City that the covenants contained herein are intended to assure compliance with the Code and any regulations or rulings promulgated by the U.S. Department of the Treasury pursuant thereto. In the event that regulations or rulings are hereafter promulgated which modify or expand provisions of the Code, as applicable to the Notes, the City will not be required to comply with any covenant contained herein to the extent that such failure to comply, in the opinion of nationally recognized Bond Counsel, will not adversely affect the exemption from federal income taxation of interest on the Notes under section 103 of the Code. In the event that regulations or rulings are hereafter promulgated which impose additional requirements which are applicable to the Notes, the City agrees to comply with the additional requirements to the extent necessary, in the opinion of nationally recognized Bond Counsel, to preserve the exemption from federal income taxation of interest on the Notes under section 103 of the Code. In furtherance of such intention, the City hereby authorizes and directs the Authorized Officials to execute any documents, certificates or reports required by the Code and to make such elections, on behalf of the City, which may be permitted by the Code as are consistent with the purpose for the issuance of the Notes.

(d) Allocation of, and Limitation on, Expenditures for the Projects. The City covenants to account for the expenditure of sale proceeds and investment earnings to be used for the Projects on its books and records in accordance with the requirements of the Code. The City recognizes that in order for the proceeds to be considered used for the reimbursement of costs, the proceeds must be allocated to expenditures within 18 months of the later of the date that (1) the expenditure is made, or (2) the Projects are completed; but in no event later than three years after the date on which the original expenditure is paid. The foregoing notwithstanding, the City recognizes that in order for proceeds to be expended under the Code, the sale proceeds or investment earnings must be expended no more than 60 days after the earlier of (1) the fifth anniversary of the Delivery Date, or (2) the date the Notes are retired. The City agrees to obtain the advice of nationally-recognized Bond Counsel if such expenditure fails to comply with the foregoing to assure that such expenditure will not adversely affect the tax-exempt status of the Notes. For purposes hereof, the City shall not be obligated to comply with this covenant if it obtains an opinion that such failure to comply will not adversely affect the excludability for federal income tax purposes from gross income of the interest.

(e) Disposition of the Projects. The City covenants that the property constituting the Projects will not be sold or otherwise disposed in a transaction resulting in the receipt by the City of cash or other compensation, unless any action taken in connection with such disposition will not adversely affect the tax-exempt status of the Notes. For purpose of the foregoing, the City may rely on an opinion of nationally-recognized Bond Counsel that the action taken in connection with such sale or other disposition will not adversely affect the tax-exempt status of the Notes. For purposes of the foregoing, the portion of the property comprising personal property and disposed in the ordinary course shall not be treated as a transaction resulting in the receipt of cash or other compensation. For purposes hereof, the City shall not be obligated to comply with this covenant if it obtains an opinion that such failure to comply will not adversely affect the excludability for federal income tax purposes from gross income of the interest.

Section 11. SALE OF NOTES; OFFICIAL STATEMENT. (a) The Notes shall be sold and delivered subject to the provisions hereof and pursuant to the terms and provisions of a Purchase Contract, which the Pricing Officer is hereby authorized to execute and deliver and in which the Underwriter shall be designated. The Notes shall initially be registered in the name of the Underwriter, unless otherwise set forth in the Pricing Certificate.

(b) The Pricing Officer is hereby authorized, in the name and on behalf of the City, to approve the distribution and delivery of a preliminary official statement and a final official statement relating to the Notes to be used by the Underwriter in the marketing of the Notes, if applicable.

Section 12. FURTHER PROCEDURES; ENGAGEMENT OF BOND COUNSEL; ATTORNEY GENERAL FILING FEE; APPROPRIATION. (a) The Authorized Officials, individually or jointly, shall be and they 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 under the corporate seal and on behalf of the City such documents, certificates and instruments, whether or not herein mentioned, as may be necessary or desirable in order to carry out the terms and provisions of this Ordinance, the Letter of Representations, the Notes and the sale of the Notes. In addition, prior to the delivery of the Notes, the Authorized Officials 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 this Ordinance or such other document, or (ii) as requested by the Attorney General or his representative to obtain the approval of the Notes by the Attorney General. In case any officer whose signature shall appear on any Note shall cease to be such officer before the delivery of such Note, such signature shall nevertheless be valid and sufficient for all purposes the same as if such officer had remained in office until such delivery.

(b) The obligation of the Underwriter to accept delivery of the Notes is subject to the Underwriter being furnished with the final, approving opinion of McCall, Parkhurst & Horton L.L.P., Bond Counsel to the City, which opinion shall be dated as of and delivered on the Delivery Date. The engagement of such firm as Bond Counsel to the City in connection with issuance, sale and delivery of the Notes is hereby approved and confirmed.

(c) To pay the debt service coming due on the Notes, if any (as determined by the Pricing Certificate) prior to receipt of the taxes levied to pay such debt service, there is hereby appropriated from current funds on hand, which are hereby certified to be on hand and available for such purpose, an amount sufficient to pay such debt service, and such amount shall be used for no other purpose.

(d) In accordance with the provisions of Section 1202.004, Texas Government Code, in connection with the submission of the Notes to the Attorney General for review and approval, a statutory fee (an amount equal to 0.1% principal amount of the Notes, subject to a minimum of $750 and a maximum of $9,500) is required to be paid to the Attorney General upon the submission of the transcript of proceedings for the Notes. The City hereby authorizes and directs that a check in the amount of the Attorney General filing fee for the Notes, made payable to the "Texas Attorney General," be promptly furnished to the City's Bond Counsel, for payment to the Attorney General in connection with his review of the Notes.

Section 13. COMPLIANCE WITH RULE 15c2-12. (a) If the Notes are sold by public offering, and are subject to the Rule (as defined below), the following provisions shall apply, unless modified by the Pricing Officer in the Pricing Certificate:

(i) 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) a guarantee of the foregoing (a) and (b). The term Financial Obligation does not include any municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

"MSRB" means the Municipal Securities Rulemaking Board or any successor to its functions under the Rule.

"Rule" means SEC Rule 15c2 12, as amended from time to time.

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

(ii) Annual Reports. (A) The City shall provide annually to the MSRB, within the timeframe set forth in the Pricing Certificate, in the electronic format prescribed by the MSRB, certain updated financial information and operating data pertaining to the City, being the information described in the Pricing Certificate.

(B) Any financial information described in the Pricing Certificate to be provided shall be (i) prepared in accordance with the accounting principles described in the financial statements of the City appended 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 (ii) audited, if the City commissions an audit of such statements and the audit is completed within the period during which they must be provided. If the audit of such financial statements is not completed within the period set forth in the Pricing Certificate, then the City shall provide unaudited financial information

of the type described in the Pricing Certificate within such period, and audited financial statements for the applicable fiscal year to the MSRB, when and if the audit report on such statements becomes available.

(C) 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.

(D) All financial information, operating data, financial statements and notices required by this Section to be provided to the MSRB shall be provided in an electronic format and be accompanied by identifying information prescribed by the MSRB. 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 (including an official statement or other offering document) available to the public on the MSRB's Internet Web site or filed with the SEC.

(iii) Event Notices. The City shall notify the MSRB, in a timely manner not in excess of ten business days after the occurrence of the event, of any of the following events with respect to the Notes:

(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;
(13) The consummation of a merger, consolidation, or acquisition involving the City or the sale of all or substantially all of the assets of the City, 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; and
(14) Appointment of a successor or additional paying agent/registrar or the change of name of a paying agent/registrar, 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 paragraph (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 of the City 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 (15) and (16) and the definition of Financial Obligation in this Section to have the same meanings as when they are used in the Rule, as evidenced by 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 (a)(ii) of this Section by the time required by subsection (a)(ii).

(iv) Limitations, Disclaimers and Amendments. (A) 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 notice of any deposit made in accordance with this Ordinance or applicable law that causes the Notes no longer to be outstanding.

(B) The provisions of this Section are for the sole benefit of the registered owners 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 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 Notes at any future date.

(C) UNDER NO CIRCUMSTANCES SHALL THE CITY BE LIABLE TO THE REGISTERED OWNER 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.

(D) No default by the City in observing or performing its obligations under this Section shall comprise a breach of or default under the 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.

(E) The provisions of this Section may be amended by the City from time to time to adapt to changed circumstances that arise from a change in legal requirements, a change in law, or a change in the identity, nature, status, or type of operations of the City, 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 since such offering as well as such changed circumstances and (2) either (a) the registered owners 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) determined that such amendment will not materially impair the interest of the registered owners and beneficial owners of the Notes. If the City so amends the provisions of this Section, it shall include with any amended financial information or operating data next provided in accordance with subsection (b) of this Section an explanation, in narrative form, of the reason for the amendment and of the impact of any change in the type of financial information or operating data so provided. The City may also amend or repeal the provisions of this continuing disclosure agreement if the SEC amends or repeals the applicable provision of the Rule or a court of final jurisdiction enters judgment that such provisions of the Rule are invalid, but only if and to the extent that the provisions of this sentence would not prevent an underwriter from lawfully purchasing or selling Notes in the primary offering of the Notes.

(b) If the Notes are sold by private placement, the Pricing Officer may agree to provide for an undertaking in accordance with the Rule or may agree to provide other public information to the Underwriter as may be necessary for the sale of the Notes on the most favorable terms to the City.

Section 14. METHOD OF AMENDMENT. The City hereby reserves the right to amend this Ordinance subject to the following terms and conditions, to-wit:

(a) The City may from time to time, without the consent of any Registered Owner, except as otherwise required by paragraph (b) below, amend or supplement this Ordinance to (i) cure any ambiguity, defect or omission in this Ordinance that does not materially adversely affect the interests of the Registered Owners, (ii) grant additional rights or security for the benefit of the Registered Owners, (iii) add events of default as shall not be inconsistent with the

provisions of this Ordinance and that shall not materially adversely affect the interests of the Registered Owners, (v) qualify this Ordinance under the Trust Indenture Act of 1939, as amended, or corresponding provisions of federal laws from time to time in effect, or (iv) make such other provisions in regard to matters or questions arising under this Ordinance as shall not be materially inconsistent with the provisions of this Ordinance and that shall not, in the opinion of nationally-recognized Bond Counsel, materially adversely affect the interests of the Registered Owners.

(b) Except as provided in paragraph (a) above, the holders of Notes aggregating in a majority of the principal amount of then outstanding Notes that are the subject of a proposed amendment shall have the right from time to time to approve any amendment hereto that may be deemed necessary or desirable by the City; provided, however, that without the consent of 100% of the Registered Owners in aggregate principal amount of the then outstanding Notes, nothing herein contained shall permit or be construed to permit amendment of the terms and conditions of this Ordinance or in any of the Notes so as to:

(1) Make any change in the maturity of any of the outstanding Notes;

(2) Reduce the rate of interest borne by any of the outstanding Notes;

(3) Reduce the amount of the principal payable on any outstanding Notes;

(4) Modify the terms of payment of principal or of interest on outstanding Notes or any of them or impose any condition with respect to such payment; or

(5) Change the minimum percentage of the principal amount of the Notes necessary for consent to such amendment.

(c) If at any time the City shall desire to amend this Ordinance under this Section, the City shall send by U.S. mail to each registered owner of the affected Notes a copy of the proposed amendment.

(d) Whenever at any time within one year from the date of mailing of such notice the City shall receive an instrument or instruments executed by the Registered Owners of at least a majority in aggregate principal amount of all of the Notes then outstanding that are required for the amendment (or 100% if such amendment is made in accordance with paragraph (b)), which instrument or instruments shall refer to the proposed amendment and which shall specifically consent to and approve such amendment, the City may adopt the amendment in substantially the same form.

(e) Upon the adoption of any amendatory Ordinance pursuant to the provisions of this Section, this Ordinance shall be deemed to be modified and amended in accordance with such amendatory Ordinance, and the respective rights, duties, and obligations of the City and all Registered Owners of such affected Notes shall thereafter be determined, exercised, and enforced, subject in all respects to such amendment.

(f) Any consent given by the Registered Owner of a Note pursuant to the provisions of this Section shall be irrevocable for a period of six months from the date of such consent and

shall be conclusive and binding upon all future Registered Owners of the same Note during such period. Such consent may be revoked at any time after six months from the date of said consent by the Registered Owner who gave such consent, or by a successor in title, by filing notice with the City, but such revocation shall not be effective if the Registered Owners the required amount of the affected Notes then outstanding, have, prior to the attempted revocation, consented to and approved the amendment.

(g) For the purposes of establishing ownership of the Notes, the City shall rely solely upon the registration of the ownership of such Notes on the Registration Books kept by the Paying Agent/Registrar.

Section 15. INTEREST EARNINGS ON NOTE PROCEEDS; USE OF PREMIUM RECEIVED FROM SALE OF NOTES. (a) Interest Earnings. Interest earnings derived from the proceeds that are deposited to the Capital Projects Fund (defined below) shall be retained therein and used for the purposes for which the Notes were issued, provided that after the completion of such purposes, any amounts remaining therein shall be deposited to the Interest and Sinking Fund for the Notes. It is further provided, however, that any interest earnings on Note proceeds that are required to be rebated to the United States of America pursuant to this Ordinance in order to prevent the Notes from being arbitrage Notes shall be so rebated and not considered as interest earnings for purposes of this Section.

(b) Use of Note Premium. The net premium received from the sale of the Notes shall be applied as determined by the Pricing Officer in the Pricing Certificate.

(c) Use of Note Proceeds.

(i) The City has heretofore created and established, and hereby covenants to continue to maintain on the books of the City, a separate fund entitled the "Capital Projects Fund" (the "Capital Projects Fund") for use by the City for payment of all lawful costs associated with the Projects. Proceeds of the Notes in the amount determined by the Pricing Officer in the Pricing Certificate shall be deposited into the Capital Projects Fund. In addition, the amount to be applied against each Note proposition shall be determined by the Pricing Officer in the Pricing Certificate, and the table in the preambles hereto shall be reproduced in the Pricing Certificate to reflect such determination. Upon payment of all Project costs, any Note proceeds remaining on deposit in the Capital Projects Fund shall be transferred to the Interest and Sinking Fund. Amounts so deposited to the Interest and Sinking Fund shall be used in the manner described in this Ordinance.

(ii) The City may place proceeds of the Notes (including investment earnings thereon) and amounts deposited into the Interest and Sinking Fund in investments authorized by the Public Funds Investment Act, Chapter 2256, Texas Government Code, as amended; provided, however, that the City hereby covenants that the proceeds of the sale of the Notes will be used as soon as practicable for the Projects.

(iii) All deposits authorized or required by this Ordinance shall be secured to the fullest extent required by law for the security of public funds.

Section 16. GOVERNING LAW. This Ordinance shall be construed and enforced in

accordance with the laws of the State and the United States of America.

Section 17. 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 this governing body hereby declares that this Ordinance would have been enacted without such invalid provision.

Section 18. EVENTS OF DEFAULT. Each of the following occurrences or events for the purpose of this Ordinance is hereby declared to be an event of default (an "Event of Default"):

(i) the failure to make payment of the principal of or interest on any of the Notes when the same becomes due and payable; or

(ii) default in the performance or observance of any other covenant, agreement or obligation of the City, the failure to perform which materially, adversely affects the rights of the Registered Owners, including, but not limited to, their prospect or ability to be repaid in accordance with this Ordinance, and the continuation thereof for a period of 60 days after notice of such default is given by any Registered Owner to the City.

Section 19. REMEDIES FOR DEFAULT. (a) Upon the happening of any Event of Default, then and in every case, any Owner or an authorized representative thereof, including, but not limited to, a trustee or trustees therefor, may proceed against the City for the purpose of protecting and enforcing the rights of the Owners under this Ordinance, by mandamus or other suit, action or special proceeding in equity or at law, in any court of competent jurisdiction, for any relief permitted by law, including the specific performance of any covenant or agreement contained herein, or thereby to enjoin any act or thing that may be unlawful or in violation of any right of the Owners hereunder or any combination of such remedies.

(b) It is provided that all such proceedings shall be instituted and maintained for the equal benefit of all Owners of Notes then outstanding.

Section 20. REMEDIES NOT EXCLUSIVE. (a) No remedy herein conferred or reserved is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given hereunder or under the Notes or now or hereafter existing at law or in equity; provided, however, that notwithstanding any other provision of this Ordinance, the right to accelerate the debt evidenced by the Notes shall not be available as a remedy under this Ordinance.

(b) The exercise of any remedy herein conferred or reserved shall not be deemed a waiver of any other available remedy.

(c) By accepting the delivery of a Note authorized under this Ordinance, such Owner agrees that the certifications required to effectuate any covenants or representations contained in this Ordinance do not and shall never constitute or give rise to a personal or pecuniary liability or charge against the officers, employees or officials of the City or the Council.

Section 21. EFFECTIVE DATE. In accordance with the provisions of Texas Government Code, Section 1201.028, this Ordinance shall be effective immediately upon its adoption by the Council.

Exhibit A

FORM OF NOTE

(a) The form of the Note, including the form of Paying Agent/Registrar's Authentication Certificate, the form of Assignment and the form of Registration Certificate of the Comptroller of Public Accounts of the State of Texas to be attached only to the Notes initially issued and delivered pursuant to this Ordinance, shall be, respectively, substantially as follows, with such appropriate variations, omissions, or insertions as are permitted or required by this Ordinance and with the Notes to be completed with information set forth in the Pricing Certificate. The Form of Note as it appears in this **Exhibit A** shall be completed, amended and modified by Bond Counsel to incorporate the information set forth in the Pricing Certificate, but it is not required for the Form of Note to be reproduced as an exhibit to the Pricing Certificate.

NO. R-__

UNITED STATES OF AMERICA
STATE OF TEXAS

PRINCIPAL AMOUNT
$_____

CITY OF ROWLETT, TEXAS
TAX NOTE, SERIES 2026

Interest Rate	Delivery Date	Maturity Date	CUSIP No.
_____%	_____, 2026	February 15, 20__	

REGISTERED OWNER:

PRINCIPAL AMOUNT:

ON THE MATURITY DATE specified above, the City of Rowlett, in Dallas and Rockwall Counties, Texas (the "City"), being a political subdivision and municipal corporation of the State of Texas, hereby promises to pay to the Registered Owner specified above, or registered assigns (hereinafter called the "Registered Owner"), on the Maturity Date specified above, the Principal Amount specified above. The City promises to pay interest on the unpaid principal amount hereof (calculated on the basis of a 360-day year of twelve 30-day months) from the Delivery Date specified above at the Interest Rate per annum specified above. Interest is payable on [February 15, 2027 and semiannually on each August 15 and February 15] thereafter to the Maturity Date specified above; except, if this Note is required to be authenticated and the date of its authentication is later than the first Record Date (hereinafter defined), such Principal Amount shall bear interest from the interest payment date next preceding the date of authentication, unless such date of authentication is after any Record Date but on or before the next following interest payment date, in which case such principal amount shall bear interest from such next following interest payment date; provided, however, that if on the date of authentication hereof the interest on the Note or Notes, if any, for which this Note is being exchanged is due but has not been paid, then this Note shall bear interest from the date to which

such interest has been paid in full.

THE PRINCIPAL OF AND INTEREST ON this Note are payable in lawful money of the United States of America, without exchange or collection charges. The principal of this Note shall be paid to the registered owner hereof upon presentation and surrender of this Note at maturity, at the principal corporate trust office of U.S. Bank Trust Company, National Association, Dallas, Texas, which is the "Paying Agent/Registrar" for this Note. The payment of interest on this Note shall be made by the Paying Agent/Registrar to the registered owner hereof on each interest payment date by check or draft, dated as of such interest payment date, drawn by the Paying Agent/Registrar on, and payable solely from, funds of the City required by the ordinance authorizing the issuance of this Note (the "Note Ordinance") to be on deposit with the Paying Agent/Registrar for such purpose as hereinafter provided; and such check or draft shall be sent by the Paying Agent/Registrar by United States mail, first-class postage prepaid, on each such interest payment date, to the registered owner hereof, at its address as it appeared on the last business day of the month preceding each such date (the "Record Date") on the Registration Books kept by the Paying Agent/Registrar, as hereinafter described. In addition, interest may be paid by such other method, acceptable to the Paying Agent/Registrar, requested by, and at the risk and expense of, the registered owner. In the event of a non-payment of interest on a scheduled payment date, and for 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 business days prior to the Special Record Date by United States mail, first-class postage prepaid, to the address of each owner of a Note appearing on the Registration Books at the close of business on the last business day next preceding the date of mailing of such notice.

ANY ACCRUED INTEREST due at maturity shall be paid to the registered owner upon presentation and surrender of this Note for payment at the principal corporate trust office of the Paying Agent/Registrar. The City covenants with the registered owner of this Note that on or before each principal payment date, interest payment date, and accrued interest payment date for this Note it will make available to the Paying Agent/Registrar, from the "Interest and Sinking Fund" created by the Note Ordinance, the amounts required to provide for the payment, in immediately available funds, of all principal of and interest on the Notes, when due.

IF THE DATE for the payment of the principal of or interest on this Note shall be a Saturday, Sunday, a legal holiday or a day on which banking institutions in the city where the principal corporate trust 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 that is not such a Saturday, Sunday, legal holiday or day on which banking institutions are authorized to close; and payment on such date shall have the same force and effect as if made on the original date payment was due.

THIS NOTE is dated _____, 2026, authorized in accordance with the Constitution and laws of the State of Texas in the principal amount of $_____ for the public purposes of (i) paying the costs of the Projects (as defined in the Note Ordinance); and (ii) paying the costs incurred in

connection with the issuance of the Notes.

THE NOTES shall not be subject to redemption prior to maturity.

ALL NOTES OF THIS SERIES are issuable solely as fully registered Notes, without interest coupons, in the denomination of any integral multiple of $5,000. As provided in the Note Ordinance, this Note may, at the request of the registered owner or the assignee or assignees hereof, be assigned, transferred, converted into and exchanged for a like aggregate principal amount of fully registered Notes, without interest coupons, payable to the appropriate registered owner, assignee or assignees, as the case may be, having the same denomination or denominations in any integral multiple of $5,000 as requested in writing by the appropriate registered owner, assignee or assignees, as the case may be, upon surrender of this Note to the Paying Agent/Registrar for cancellation, all in accordance with the form and procedures set forth in the Note Ordinance. Among other requirements for such assignment and transfer, this Note must be presented and surrendered to the Paying Agent/Registrar, together with proper instruments of assignment, in form and with guarantee of signatures satisfactory to the Paying Agent/Registrar, evidencing assignment of this Note or any portion or portions hereof in any integral multiple of $5,000 to the assignee or assignees in whose name or names this Note or any such portion or portions hereof is or are to be registered. The form of Assignment printed or endorsed on this Note may be executed by the registered owner to evidence the assignment hereof, but such method is not exclusive, and other instruments of assignment satisfactory to the Paying Agent/Registrar may be used to evidence the assignment of this Note or any portion or portions hereof from time to time by the registered owner. The Paying Agent/Registrar's reasonable standard or customary fees and charges for assigning, transferring, converting and exchanging any Note or portion thereof will be paid by the City. In any circumstance, any taxes or governmental charges required to be paid with respect thereto shall be paid by the one requesting such assignment, transfer, conversion or exchange, as a condition precedent to the exercise of such privilege. The Paying Agent/Registrar shall not be required to make any such transfer, conversion or exchange of any Notes during the period commencing with the close of business on any Record Date and ending with the opening of business on the next following principal or interest payment date.

IN THE EVENT any Paying Agent/Registrar for the Notes is changed by the City, resigns, or otherwise ceases to act as such, the City has covenanted in the Note Ordinance that it promptly will appoint a competent and legally qualified substitute therefor, and cause written notice thereof to be mailed to the registered owners of the Notes.

IT IS HEREBY certified, recited and covenanted that this Note has been duly and validly authorized, issued and delivered; that all acts, conditions and things required or proper to be performed, exist and be done precedent to or in the authorization, issuance and delivery of this Note have been performed, existed and been done in accordance with law; and that annual ad valorem taxes sufficient to provide for the payment of the interest on and principal of this Note, as such interest comes due and such principal matures, have been levied and ordered to be levied against all taxable property in said City, and have been pledged for such payment, within the limit prescribed by law.

THE CITY HAS RESERVED THE RIGHT to amend the Note Ordinance as provided therein, and under some (but not all) circumstances amendments thereto must be approved by the registered owners of a majority in aggregate principal amount of the outstanding Notes.

BY BECOMING the registered owner of this Note, the registered owner thereby acknowledges all of the terms and provisions of the Note Ordinance, agrees to be bound by such terms and provisions, acknowledges that the Note Ordinance is duly recorded and available for inspection in the official minutes and records of the governing body of the City, and agrees that the terms and provisions of this Note and the Note Ordinance constitute a contract between each registered owner hereof and the City.

IN WITNESS WHEREOF, the City has caused this Note to be signed with the manual or facsimile signature of the Mayor of the City and countersigned with the manual or facsimile signature of the City Secretary of the City and has caused the official seal of the City to be duly impressed, or placed in facsimile, on this Note.

City Secretary City of Rowlett, Texas	Mayor City of Rowlett, Texas

(City Seal)

PAYING AGENT/REGISTRAR'S AUTHENTICATION CERTIFICATE
(To be executed if this Note is not accompanied by an executed Registration Certificate of the Comptroller of Public Accounts of the State of Texas)

It is hereby certified that this Note has been issued under the provisions of the Note Ordinance described in the text of this Note; and that this Note has been issued in conversion or replacement of, or in exchange for, a Note, Notes, or a portion of a Note or Notes of a series that originally was approved by the Attorney General of the State of Texas and registered by the Comptroller of Public Accounts of the State of Texas.

Dated: _____.

U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION, Dallas, Texas
Paying Agent/Registrar

By: _____
Authorized Representative

ASSIGNMENT

For value received, the undersigned hereby sells, assigns and transfers unto:

_____
Please insert Social Security or Taxpayer Identification Number of Transferee

_____

Please print or type name and address, including zip code of Transferee

the within Note and all rights thereunder, and hereby irrevocably constitutes and appoints: _____, attorney, to register the transfer of the within Note on the books kept for registration thereof, with full power of substitution in the premises.

Dated: _____.

Signature Guaranteed:

NOTICE: Signature(s) must be guaranteed by an eligible guarantor institution participating in a securities transfer association recognized signature guarantee program.	NOTICE: The signature above must correspond with the name of the registered owner as it appears upon the front of this Note in every particular, without alteration or enlargement or any change whatsoever.

COMPTROLLER'S REGISTRATION CERTIFICATE: REGISTER NO. _____

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 that this Note has been registered by the Comptroller of Public Accounts of the State of Texas.

Witness my signature and seal this _____.

_____
Comptroller of Public Accounts
of the State of Texas

(COMPTROLLER'S SEAL)

(e) Initial Note Insertions.

(i) The initial Note shall be in the form set forth is paragraph (a) of this Section, except that:

A. immediately under the name of the Note, the headings "Interest Rate" and "Maturity Date" shall both be completed with the words "As shown below" and "CUSIP No. _____" shall be deleted.

B. the first paragraph shall be deleted and the following will be inserted:

"THE CITY OF ROWLETT, TEXAS, in Dallas and Rockwall Counties, Texas (the "City"), being a political subdivision and municipal corporation of the State of Texas, hereby promises to

pay to the Registered Owner specified above, or registered assigns (hereinafter called the "Registered Owner"), on February 15 in each of the years, in the principal installments and bearing interest at the per annum rates set forth in the following schedule:

Maturity Date	Principal Amount	Interest Rate
2027		
2028		
2029		
2030		
2031		
2032		
2033		

The City promises to pay interest on the unpaid principal amount hereof (calculated on the basis of a 360-day year of twelve 30-day months) from the Delivery Date specified above at the respective Interest Rate per annum specified above. Interest is payable on [February 15, 2027, and semiannually on each August 15 and February 15] thereafter to the date of payment of the principal installment specified above; except, that if this Note is required to be authenticated and the date of its authentication is later than the first Record Date (hereinafter defined), such Principal Amount shall bear interest from the interest payment date next preceding the date of authentication, unless such date of authentication is after any Record Date but on or before the next following interest payment date, in which case such principal amount shall bear interest from such next following interest payment date; provided, however, that if on the date of authentication hereof the interest on the Note or Notes, if any, for which this Note is being exchanged is due but has not been paid, then this Note shall bear interest from the date to which such interest has been paid in full."

C. The Initial Note shall be numbered "T-1."

ORDINANCE AUTHORIZING THE ISSUANCE OF CITY OF ROWLETT, TEXAS, WATERWORKS AND SEWER SYSTEM REVENUE BONDS, SERIES 2026, ESTABLISHING SALE PARAMETERS, PROVIDING FOR THE SECURITY FOR AND PAYMENT OF SAID BONDS; AND ENACTING OTHER PROVISIONS RELATING TO THE SUBJECT

THE STATE OF TEXAS §
COUNTIES OF DALLAS AND ROCKWALL §
CITY OF ROWLETT §

WHEREAS, Chapter 1502 (defined below) provides that the governing body of a municipality may issue public securities for the public purposes of acquiring, constructing, installing and equipping additions, improvements and extensions to the City's waterworks and sewer system, and the City Council (the "Council") of the City of Rowlett, Texas (the "City") finds and determines that it is necessary, useful and appropriate for the City to authorize and provide for the issuance and sale of revenue bonds of the City for such purposes, as hereinafter provided; and

WHEREAS, the Bonds are being issued and delivered pursuant to Chapter 1371, Chapter 1502 and the City's Home Rule Charter; and

WHEREAS, the City is an "issuer" under Section 1371.001(4)(P), Texas Government Code, having (i) a principal amount of at least $100 million in outstanding long-term indebtedness, in long-term indebtedness proposed to be issued, or a combination of outstanding or proposed long-term indebtedness and (ii) some amount of long-term indebtedness outstanding or proposed to be issued that is rated in one of the four highest rating categories for long-term debt instruments by a nationally recognized rating agency for municipal securities, without regard to the effect of any credit agreement or other form of credit enhancement entered into in connection with the obligation; and

WHEREAS, the Council hereby finds and determines that it is in the best interests of the City to issue the Bonds, in one or more series, for the purposes stated herein, and to delegate to the Pricing Officer the authority to act on behalf of the City in selling and delivering the Bonds and setting the dates, price, interest rates, interest payment periods and other procedures relating thereto, as hereinafter specified, with such information and terms to be included in one or more Pricing Certificates to be executed by the Pricing Officer, all in accordance with the provisions of Section 1371.053, Texas Government Code, as amended; and

WHEREAS, it is officially found, determined and declared that the meeting at which this Ordinance has been adopted was open to the public, and public notice of the date, hour, place and subject of said meeting, including this Ordinance, was given, all as required by the applicable provisions of Chapter 551, Texas Government Code, as amended;

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

Section 1. RECITALS, AMOUNT, PURPOSE AND DESIGNATION OF THE BONDS. (a) The recitals set forth in the preamble hereof are incorporated herein and shall have the same force and effect as if set forth in this Section.

(b) The Bonds are hereby authorized to be issued and delivered, in one or more series, in the maximum aggregate principal amount hereinafter set forth for the public purposes of providing funds to (i) pay for the costs of the Project (defined below) and (ii) pay the costs incurred in connection with the issuance of the Bonds.

(c) Each Bond issued pursuant to this Ordinance shall be designated (unless otherwise provided in the Pricing Certificate): "CITY OF ROWLETT, TEXAS, WATERWORKS AND SEWER SYSTEM REVENUE BOND, SERIES 2026," and initially there shall be issued, sold and delivered hereunder fully registered Bonds, without interest coupons, payable to the respective registered owners thereof (with the initial Bond(s) being made payable to the Underwriter as described herein), or to the registered assignee or assignees of said bonds or any portion or portions thereof (in each case, the "Registered Owner"). The Bonds shall be in the respective denominations and principal amounts, shall be numbered, shall mature and be payable on the date or dates in each of the years and in the principal amounts or amounts due at maturity, as applicable, and shall bear interest to their respective dates of maturity or redemption, if applicable, prior to maturity at the rates per annum, as set forth in the Pricing Certificate.

Section 2. DEFINITIONS. Unless otherwise expressly provided or unless the context clearly requires otherwise, in this Ordinance the following terms shall have the meanings specified below:

"Additional Parity Bonds" means the additional parity bonds and obligations permitted to be issued or entered into under the provisions of this Ordinance and the ordinances authorizing the Outstanding Parity Bonds.

"Authorized Officials" means the Mayor, the Mayor Pro Tem, the City Secretary and each Pricing Officer.

"Average Annual Debt Service" means that average amount which, at the time of computation, will be required to pay the Debt Service of obligations when due and derived by dividing the total of such Debt Service by the number of years then remaining before final maturity. Capitalized interest payments provided from bond proceeds shall be excluded in making the aforementioned computation.

"Bond Fund" means the interest and sinking fund described in Sections 6(c) and 6(e).

"Bonds Similarly Secured" means the Outstanding Parity Bonds, the Bonds and Additional Parity Bonds.

"Chapter 1201" means Chapter 1201, Texas Government Code, as amended.

"Chapter 1206" means Chapter 1206, Texas Government Code, as amended.

"Chapter 1208" means Chapter 1208, Texas Government Code, as amended.

"Chapter 1371" means Chapter 1371, Texas Government Code, as amended.

"Chapter 1502" means Chapter 1502, Texas Government Code, as amended.

"City" means the City of Rowlett, Texas.

"Code" means the Internal Revenue Code of 1986, as amended.

"Comptroller" means the Comptroller of Public Accounts of the State.

"Council" means the City Council of the City.

"Dated Date" means the date of the Bonds set forth in the Pricing Certificate.

"Defeasance Securities" means any securities and obligations now or hereafter authorized by State law that are eligible to refund, retire or otherwise discharge obligations such as the Bonds, unless otherwise provided in the Pricing Certificate.

"Delivery Date" means the date or dates of delivery of any series of Bonds to the Underwriter against payment therefor, as determined by the Pricing Officer in the Pricing Certificate.

"Debt Service" means, as of any particular date of computation, with respect to any obligations and with respect to any period, means the aggregate of the amounts to be paid or set aside by the City as of such date or in such period for the payment of the principal of, premium, if any, and interest (to the extent not capitalized) on such obligations; assuming, in the case of obligations without a fixed numerical rate, that such obligations bear, or would have borne, interest at the highest rate reached, or that would have been applied to such obligations (using the index or measure for computing interest applicable to such obligations) during the twenty-four (24) month period next preceding the date of computation, and further assuming in the case of obligations required to be redeemed or prepaid as to principal prior to maturity, the principal amounts thereof will be redeemed prior to maturity in accordance with the mandatory redemption provisions applicable thereto.

"Fiscal Year" means the twelve-month 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.

"Gross Revenues" means, with respect to the System, all income, receipts and revenues

of every nature derived or received from the operation and ownership (excluding refundable meter deposits, restricted gifts and grants) of the System, including earnings and income derived from the investment or deposit of moneys in any special funds or accounts created and established by the City for the payment and security of obligations payable solely from and secured only by a lien on and pledge of the Net Revenues.

"Maintenance and Operating Expenses" means 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 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 shall never be considered as an expense of Maintenance and Operation. Maintenance and Operating Expenses shall include payments under contracts for the purchase of water supply or treatment of sewage or other materials, goods or services for the System to the extent authorized by law and the provisions of such contract.

"Net Revenues" means the Gross Revenues of the System, with respect to any period, after deducting the System's Maintenance and Operating Expenses during such period.

"Outstanding" means, when used in this Ordinance with respect to Bonds, as of the date of determination, all Bonds theretofore issued and delivered under this Ordinance, except:

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

(2) those Bonds deemed to be paid by the City in accordance with the provisions of this Ordinance, provided that, if such Bonds are to be redeemed, notice of redemption thereof shall have been duly given pursuant to this Ordinance or irrevocably provided to be given to the satisfaction of the Paying Agent/Registrar, or waived; and

(3) those Bonds that have been mutilated, destroyed, lost, or stolen and replacement Bonds have been registered and delivered in lieu thereof as provided herein.

"Outstanding Parity Bonds" means the outstanding and unpaid obligations of the following series: (i) City of Rowlett, Texas, Waterworks and Sewer System Revenue Bonds, Series 2012; (ii) City of Rowlett, Texas, Waterworks and Sewer System Revenue Bonds, Series 2014; (iii) City of Rowlett, Texas, Waterworks and Sewer System Revenue Refunding Bonds, Series 2015; (iv) City of Rowlett, Texas, Waterworks and Sewer System Revenue Bonds, Series 2018; (v) City of Rowlett, Texas, Waterworks and Sewer System Revenue Bonds, Series 2019; (vi) City of Rowlett, Texas, Waterworks and Sewer System Revenue Bonds, Series 2020; (vii) City of Rowlett, Texas, Waterworks and Sewer System Revenue Bonds, Series 2021; (viii) City of Rowlett, Texas, Waterworks and Sewer System Revenue Bonds, Series 2022; (ix) City of Rowlett, Texas, Waterworks and Sewer System Revenue Bonds, Series

2023; and (x) City of Rowlett, Texas, Waterworks and Sewer System Revenue Bonds, Series 2025.

"Owner" means the person who is the registered owner of a Bond or Bonds, as shown in the Register.

"Paying Agent/Registrar" means the paying agent/registrar designated by the Pricing Officer in the Pricing Certificate.

"Project" means the acquisition, construction, installation and equipment of additions, improvements and extensions to the System.

"Purchase Contract" means (i) a bond purchase agreement between the City and the Underwriter, pertaining to the purchase of the Bonds by the Underwriter sold through a negotiated sale conducted as a public underwriting; (ii) a private placement agreement between the City and the Underwriter, pertaining to the purchase of the Bonds by the Underwriter sold through a negotiated sale conducted as a private placement; and (iii) the bid form prepared in accordance with the notice of sale and bidding instructions and submitted by potential purchasers of any Bonds sold pursuant to a competitive sale.

"Reserve Fund" means the reserve fund described in Sections 6(c) and 6(f).

"State" means the State of Texas.

"System" means all properties, facilities and plants currently owned, operated and maintained by the City for the supply, treatment and transmission of treated potable water and the collection, treatment and disposal of water-carried wastes, together with all future extensions, improvements, replacements and additions thereto; provided, however, that notwithstanding the foregoing, and to the extent now or hereafter authorized or permitted by law, the term "System" shall not mean to include facilities of any kind which are declared not to be a part of the System and which are acquired or constructed by or on behalf of the City with the proceeds from the issuance of "Special Facilities Bond," which are hereby defined as being special revenue obligations of the City which are not Bonds Similarly Secured but which are payable from and secured by other liens on and pledges of any revenues, sources or payments, not pledged to the payment of the Bonds Similarly Secured including, but not limited to, special contract revenues or payments received from any other legal entity in connection with such facilities.

"System Fund" means the revenue fund described and confirmed in Section 6(d).

"Underwriter" means the initial purchaser(s) of the Bonds designated by the Pricing Officer in the Pricing Certificate.

Section 3. DELEGATION TO PRICING OFFICER. (a) As authorized by Section 1371.053, Texas Government Code, as amended, the City Manager and the Finance Director of the City are each individually hereby authorized to act on behalf of the City in selling and delivering the Bonds (of which officers, the officer executing the Pricing Certificate shall be hereinafter referred to as, and shall for all purposes be, the "Pricing Officer"), determining whether the Bonds shall be issued in one or more series or subseries and carrying out the

procedures specified in this Ordinance, including determining the principal amount of Bonds to be issued, the amount to be applied against each proposition, determining whether the Bonds shall be issued in one or more series or subseries, the date or dates of the Bonds, any additional or different designation or title by which the Bonds shall be known, the price at which the Bonds will be sold, the years in which the Bonds will mature, the principal amount to mature in each of such years, the rate of interest to be borne by each such maturity, the interest payment and record dates, the price and terms, if any, upon and at which the Bonds shall be subject to redemption prior to maturity at the option of the City, as well as any mandatory sinking fund redemption provisions, whether the Bonds of any series shall be designated as "qualified tax-exempt obligations" as defined in section 265(b)(3) of the Code, approving modifications or additions to the Rule 15c2-12 continuing disclosure undertaking, approving modifications to the term Defeasance Securities, determining the Required Reserve and all other matters relating to the issuance, sale, and delivery of the Bonds, including without limitation procuring municipal bond insurance and approving modifications to this Ordinance and executing such instruments, documents and agreements as may be necessary with respect thereto, if it is determined that such insurance would be financially desirable and advantageous, all of which shall be specified in the Pricing Certificate, provided that:

(i) the maximum original principal amount of the Bonds shall not exceed $7,421,000;

(ii) no Bond of any series (if multiple series are issued) shall mature after March 1, 2046; and

(iii) the true interest cost rate for the Bonds shall not exceed 5.50% in the aggregate.

(b) In establishing the aggregate principal amount of the Bonds, the Pricing Officer shall establish an amount not exceeding the amount authorized in subsection (a) above, which shall be sufficient in amount to provide for the purposes for which the Bonds are authorized and to pay costs of issuing the Bonds. The delegation made hereby shall expire if not exercised by the Pricing Officer on or prior to the date that is 365 days after the adoption of this Ordinance. The Pricing Officer may determine to issue one or more series of Bonds and may exercise the authority granted herein on one or more dates to effectuate the issuance of multiple series of Bonds if multiple series are issued and, if multiple series are issued, each separate series may close on separate dates or on the same date, as determined by the Pricing Officer. The Bonds shall be sold at such prices, with and subject to such terms as set forth in one or more Pricing Certificates.

(c) The Bonds of one or more series may be sold by public offering (either through a negotiated or competitive offering) or by private placement. If the Bonds of one or more series are sold by private placement, the applicable Pricing Certificate shall so state, and the applicable Pricing Certificate may make changes to this Ordinance to effect such private placement of such Bonds, including the provisions hereof that pertain to the book-entry-only procedures (including eliminating the book-entry-only system of registrations, payment and transfers) and to the

provisions relating to the Rule 15c2-12 undertaking (including eliminating or replacing such undertaking with an agreement to provide alternative disclosure information).

(d) In satisfaction of Section 1201.022(a)(3)(B), Texas Government Code, the Council hereby determines that the delegation of the authority to the Pricing Officer to approve the final terms of the Bonds set forth in this Ordinance is, and the decisions made by the Pricing Officer pursuant to such delegated authority and incorporated into the Pricing Certificate will be, the most advantageous reasonably available, and the Pricing Officer is hereby authorized to make and include a finding to that effect in the Pricing Certificate.

Section 4. CHARACTERISTICS OF THE BONDS. (a) Registration, Transfer, Conversion and Exchange. The City shall keep or cause to be kept at the designated office of the bank named in the Pricing Certificate as the paying agent/registrar for the Bonds (the "Paying Agent/Registrar"), books or records for the registration of the transfer, conversion and exchange of the Bonds (the "Registration Books"), and the City hereby appoints the Paying Agent/Registrar as its registrar and transfer agent to keep such books or records and make such registrations of transfers, conversions and exchanges under such reasonable regulations as the City and Paying Agent/Registrar may prescribe; and the Paying Agent/Registrar shall make such registrations, transfers, conversions and exchanges as herein provided within three days of presentation in due and proper form. The Paying Agent/Registrar shall obtain and record in the Registration Books the address of the registered owner of each Bond to which payments with respect to the Bonds shall be mailed, as herein provided; but it shall be the duty of each registered owner to notify the Paying Agent/Registrar in writing of the address to which payments shall be mailed, and such interest payments shall not be mailed unless such notice has been given. The City shall have the right to inspect the Registration Books during regular business hours of the Paying Agent/Registrar, but otherwise the Paying Agent/Registrar shall keep the Registration Books confidential and, unless otherwise required by law, shall not permit their inspection by any other entity. The City shall pay the Paying Agent/Registrar's standard or customary fees and charges for making such registration, transfer, conversion, exchange and delivery of a substitute Bond or Bonds. Registration of assignments, transfers, conversions and exchanges of Bonds shall be made in the manner provided and with the effect stated in the FORM OF BOND set forth as **Exhibit A** of this Ordinance. Each substitute Bond shall bear a letter and/or number to distinguish it from each other Bond.

(b) Authentication. Except as provided in subsection (e) of this Section, an authorized representative of the Paying Agent/Registrar shall, before the delivery of any such Bond, date and manually sign said Bond, and no such Bond shall be deemed to be issued or outstanding unless such Bond is so executed. The Paying Agent/Registrar promptly shall cancel all paid Bonds and Bonds surrendered for conversion and exchange. No additional ordinances, orders or resolutions need be passed or adopted by the governing body of the City or any other body or person so as to accomplish the foregoing conversion and exchange of any Bond or portion thereof, and the Paying Agent/Registrar shall provide for the printing, execution and delivery of the substitute Bonds in the manner prescribed herein. Pursuant to Subchapter D of Chapter 1201, the duty of conversion and exchange of Bonds as aforesaid is hereby imposed upon the Paying Agent/Registrar, and, upon the execution of said Bond, the converted and

exchanged Bond shall be valid, incontestable, and enforceable in the same manner and with the same effect as the Bonds which initially were issued and delivered pursuant to this Ordinance, approved by the Attorney General and registered by the Comptroller.

(c) Payment of Bonds and Interest. The City hereby further appoints the Paying Agent/Registrar to act as the paying agent for paying the principal of and interest on the Bonds, all as provided in this Ordinance. The Paying Agent/Registrar shall keep proper records of all payments made by the City and the Paying Agent/Registrar with respect to the Bonds, and of all conversions and exchanges of Bonds, and all replacements of Bonds, as provided in this Ordinance. However, 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 registered owner appearing on the Registration Books at the close of business on the last business day next preceding the date of mailing of such notice.

(d) Substitute Paying Agent/Registrar. The City covenants with the registered owners of the Bonds that at all times while the Bonds are outstanding the City will provide a competent and legally qualified bank, trust company, financial institution or other agency to act as and perform the services of Paying Agent/Registrar for the Bonds under this Ordinance, and that the Paying Agent/Registrar will be one entity. The City reserves the right to, and may, at its option, change the Paying Agent/Registrar upon not less than 50 days written notice to the Paying Agent/Registrar, to be effective not later than 45 days prior to the next principal or interest payment date after such notice. In the event that the entity at any time acting as Paying Agent/Registrar (or its successor by merger, acquisition, or other method) should resign or otherwise cease to act as such, the City covenants that promptly it will appoint a competent and legally qualified bank, trust company, financial institution, or other agency to act as Paying Agent/Registrar under this Ordinance. Upon any change in the Paying Agent/Registrar, the previous Paying Agent/Registrar promptly shall transfer and deliver the Registration Books (or a copy thereof), along with all other pertinent books and records relating to the Bonds, to the new Paying Agent/Registrar designated and appointed by the City. Upon any change in the Paying Agent/Registrar, the City promptly will cause a written notice thereof to be sent by the new Paying Agent/Registrar to each registered owner of the Bonds, by United States mail, first-class postage prepaid, which notice also shall give the address of the new Paying Agent/Registrar. By accepting the position and performing as such, each Paying Agent/Registrar shall be deemed to have agreed to the provisions of this Ordinance, and a certified copy of this Ordinance shall be delivered to each Paying Agent/Registrar.

(e) General Characteristics of the Bonds. The Bonds (i) shall be issued in fully registered form, without interest coupons, with the principal of and interest on such Bonds to be payable only to the Registered Owners thereof, (ii) may be redeemed prior to their scheduled maturities (notice of which shall be given to the Paying Agent/Registrar by the City at least 35

days prior to any such redemption date), (iii) may be transferred and assigned, (iv) may be converted and exchanged for other Bonds, (v) shall have the characteristics, (vi) shall be signed, sealed, executed and authenticated, (vii) the principal of and interest on the Bonds shall be payable, and (viii) shall be administered and the Paying Agent/Registrar and the City shall have certain duties and responsibilities with respect to the Bonds, all as provided, and in the manner and to the effect as required or indicated, in the FORM OF BOND set forth as **Exhibit A** of this Ordinance. The Bonds initially issued and delivered pursuant to this Ordinance are not required to be, and shall not be, authenticated by the Paying Agent/Registrar, but on each substitute Bond issued in conversion of and exchange for any Bond or Bonds issued under this Ordinance the Paying Agent/Registrar shall execute the Paying Agent/registrar's Authentication Certificate, in the FORM OF BOND set forth as **Exhibit A** of this Ordinance.

(f) Book-Entry-Only System. Unless the Bonds are sold by private placement, the Bonds issued in exchange for the Bonds initially issued to the Underwriter shall be initially issued in the form of a separate single fully registered Bond for each of the maturities thereof. Upon initial issuance, the ownership of each such Bond shall be registered in the name of Cede & Co., as nominee of The Depository Trust Company of New York ("DTC"), and except as provided in subsection (g) of this Section, all of the outstanding Bonds shall be registered in the name of Cede & Co., as nominee of DTC.

With respect to Bonds registered in the name of Cede & Co., as nominee of DTC, the City and the Paying Agent/Registrar shall have no responsibility or obligation to any securities brokers and dealers, banks, trust companies, clearing corporations and certain other organizations on whose behalf DTC was created ("DTC Participant") to hold securities to facilitate the clearance and settlement of securities transactions among DTC Participants or to any person on behalf of whom such a DTC Participant holds an interest in the Bonds. Without limiting the immediately preceding sentence, the City and the Paying Agent/Registrar shall have no responsibility or obligation with respect to (i) the accuracy of the records of DTC, Cede & Co. or any DTC Participant with respect to any ownership interest in the Bonds, (ii) the delivery to any DTC Participant or any other person, other than a registered owner of Bonds, as shown on the Registration Books, of any notice with respect to the Bonds, or (iii) the payment to any DTC Participant or any other person, other than a registered owner of Bonds, as shown in the Registration Books of any amount with respect to principal of or interest on the Bonds. Notwithstanding any other provision of this Ordinance to the contrary, the City and the Paying Agent/Registrar shall be entitled to treat and consider the person in whose name each Bond is registered in the Registration Books as the absolute owner of such Bond for the purpose of payment of principal and interest with respect to such Bond, for the purpose of registering transfers with respect to such Bond, and for all other purposes whatsoever. The Paying Agent/Registrar shall pay all principal of and interest on the Bonds only to or upon the order of the registered owners, as shown in the Registration Books as provided in this Ordinance, or their respective attorneys duly authorized in writing, and all such payments shall be valid and effective to fully satisfy and discharge the City's obligations with respect to payment of principal of and interest on the Bonds to the extent of the sum or sums so paid. No person other than a registered owner, as shown in the Registration Books, shall receive a Bond certificate evidencing the obligation of the City to make payments of principal and interest pursuant to this Ordinance.

Upon delivery by DTC to the Paying Agent/Registrar of written notice to the effect that DTC has determined to substitute a new nominee in place of Cede & Co., and subject to the provisions in this Ordinance with respect to interest checks being mailed to the registered owner at the close of business on the Record Date, the words "Cede & Co." in this Ordinance shall refer to such new nominee of DTC.

(g) Successor Securities Depository; Transfers Outside Book-Entry-Only System. If the Bonds are subject to the DTC book-entry system, and in the event that the City determines that DTC is incapable of discharging its responsibilities described herein and in the City's Blanket Issuer Letter of Representations to DTC or that it is in the best interest of the beneficial owners of the Bonds that they be able to obtain certificated Bonds, the City shall (i) appoint a successor securities depository, qualified to act as such under Section 17A of the Securities and Exchange Act of 1934, as amended, notify DTC and DTC Participants of the appointment of such successor securities depository and transfer one or more separate Bonds to such successor securities depository or (ii) notify DTC and DTC Participants of the availability through DTC of Bonds and transfer one or more separate Bonds to DTC Participants having Bonds credited to their DTC accounts. In such event, the Bonds shall no longer be restricted to being registered in the Registration Books in the name of Cede & Co., as nominee of DTC, but may be registered in the name of the successor securities depository, or its nominee, or in whatever name or names registered owners transferring or exchanging Bonds shall designate, in accordance with the provisions of this Ordinance.

(h) Payments to Cede & Co. Notwithstanding any other provision of this Ordinance to the contrary, so long as any Bond is registered in the name of Cede & Co., as nominee of DTC, all payments with respect to principal of and interest on such Bond and all notices with respect to such Bond shall be made and given, respectively, in the manner provided in the City's Blanket Issuer Letter of Representations to DTC.

(i) Cancellation of Initial Bond(s). On the Delivery Date, one initial Bond representing the entire principal amount of the Bonds, payable in stated installments to the order of the Underwriter or its designee, executed by manual or facsimile signature of the Mayor and City Secretary, approved by the Attorney General, and registered and signed by the Comptroller in the manner prescribed by law, will be delivered to the Underwriter or its designee. If the Bonds are sold subject to the book-entry system of DTC, then upon payment for the initial Bond(s), the Paying Agent/Registrar shall insert the Delivery Date on the initial Bond(s), cancel each of the initial Bond(s) and deliver to DTC on behalf of the Underwriter one registered definitive Bond for each year of maturity of the Bonds, in the aggregate principal amount of all of the Bonds for such maturity, registered in the name of Cede & Co., as nominee of DTC. To the extent that the Paying Agent/Registrar is eligible to participate in DTC's FAST System, pursuant to an agreement between the Paying Agent/Registrar and DTC, the Paying Agent/Registrar shall hold the definitive Bonds in safekeeping for DTC.

(j) Conditional Notice of Redemption. With respect to any optional redemption of the Bonds, 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 Bonds

to be redeemed shall have been received by the Paying Agent/Registrar prior to the giving of such notice of redemption, such notice may state that said redemption may, at the option of the City, be 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, or upon any prerequisite set forth in such notice of redemption. If a conditional notice of redemption is given and such prerequisites to the redemption and sufficient moneys are not received, such notice shall be of no force and effect, the City shall not redeem such Bonds and the Paying Agent/Registrar shall give notice, in the manner in which the notice of redemption was given, to the effect that the Bonds have not been redeemed.

Section 5. FORM OF BONDS. The form of the Bond, including the form of Paying Agent/Registrar's Authentication Certificate, the form of Assignment and the form of Registration Certificate of the Comptroller of Public Accounts of the State to be attached only to the Bonds initially issued and delivered pursuant to this Ordinance, shall be, respectively, substantially in the form provided in **Exhibit A**, with such appropriate variations, omissions, or insertions as are permitted or required by this Ordinance. The Form of Bond as it appears in **Exhibit A** shall be completed, amended and modified by Bond Counsel to incorporate the information set forth in the Pricing Certificate, but it is not required for the Form of Bond to be reproduced as an exhibit to the Pricing Certificate.

Section 6. PLEDGE.

(a) The City hereby covenants and agrees that the Net Revenues, with the exception of those in excess of the amounts required to establish and maintain the special Funds created for the payment and security of the Bonds Similarly Secured, are hereby irrevocably pledged for the payment of the Bonds Similarly Secured, and the interest thereon, and it is hereby ordained that the Bonds Similarly Secured, and the interest thereon, shall constitute a first lien upon the Net Revenues.

(b) Chapter 1208 applies to the issuance of the Bonds and the pledge of the Net Revenues granted by the City under this Section, and is therefore valid, effective, and perfected. Should State law be amended at any time while the Bonds are outstanding and unpaid, the result of such amendment being that the pledge of the Net Revenues granted by the City under this Section is to be subject to the filing requirements of Chapter 9, Business and Commerce Code, in order to preserve to the registered owners of the Bonds a security interest in said pledge, the City agrees to take such measures as it determines are reasonable and necessary under State law to comply with the applicable provisions of Chapter 9, Business and Commerce Code and enable a filing of a security interest in said pledge to occur.

(c) Special Funds. To provide for the payment and security of the Bonds Similarly Secured, the following special funds heretofore created and established in connection with the Outstanding Parity Bonds, are hereby reaffirmed and shall continue to be kept and maintained as set forth below:

(i) City of Rowlett Waterworks and Sewer System Interest and Sinking Revenue Bond Fund, hereinafter called the "Bond Fund." This fund shall be kept and maintained at a depository bank of the City, and moneys deposited in this fund shall be used to pay principal of and interest on the Bonds Similarly Secured when and as the same become due and payable; and

(ii) City of Rowlett Revenue Bond Reserve Fund, hereinafter called the "Reserve Fund." This fund shall be kept and maintained at a depository bank of the City, and moneys deposited in this fund shall be used to pay principal and interest on the Bonds Similarly Secured falling due at any time when there is insufficient money available in the Bond Fund.

(d) System Fund. The City hereby covenants and agrees and reaffirms with the registered owners of the Outstanding Parity Bonds that Gross Revenues of the System (excluding earnings and income derived from investments held in the Bond Fund and Reserve Fund) shall be, as collected, deposited into a separate account maintained with an official depository bank of the City and known as the "Water and Sewer System Fund" (herein called the "System Fund") and such revenues of the System shall be kept separate and apart from all other funds of the City. All revenues deposited in the System Fund shall be pledged and appropriated to the extent required for the following uses and in the order of precedence shown:

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

SECOND: To the payment of the amounts required to be deposited in the Bond Fund for the payment of Debt Service on the Bonds Similarly Secured as the same becomes due and payable.

THIRD: To the payment of the amounts required to be deposited in the Reserve Fund to establish and maintain the Required Reserve in accordance with the provisions of this Ordinance or any other ordinance relating to the issuance of Bonds Similarly Secured.

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.

(e) Bond Fund. For purposes of paying the principal of and interest on the Bonds as the same becomes due and payable, the City hereby covenants and agrees to cause to be deposited to the Bond Fund from the Net Revenues of the System an amount which, together with the amounts required to be deposited into the Bond Fund by the ordinances authorizing the issuance of the Bonds Similarly Secured, is equal to one hundred per centum (100%) of the amount required to fully pay such principal and interest falling due on the Bonds Similarly Secured on or before each maturity and interest payment date, such payments to be made in substantially equal

monthly installments on or before the last day of each month and beginning on or before the last day of the month next following the month in which the Bonds are delivered.

The monthly deposits to the Bond Fund for the payment of principal of and interest on the Bonds shall continue to be made as hereinabove described until such time as the total amount on deposit in said Fund and the Reserve Fund is equal to the amount required to pay all outstanding Bonds Similarly Secured (principal and interest) or the Bonds are no longer Outstanding. Also, accrued interest and premium, if any, received from the Underwriter, as well as earnings derived from the investment of moneys in the Bond Fund and any proceeds of the Bonds not required to accomplish the purposes for which the Bonds were issued, shall be deposited in the Bond Fund, and shall be taken into consideration and reduce the amount of the monthly deposits hereinabove required which would otherwise be required to be deposited in the Bond Fund from the Net Revenues.

(f) Reserve Fund. The City hereby covenants and agrees to accumulate and maintain in the Reserve Fund as a reserve for the payment of Bonds Similarly Secured an amount (hereinafter called the "Required Reserve") equal to not less than the Average Annual Debt Service of Outstanding Bonds Similar Secured (calculated on a fiscal year basis and determined as of the date the last series of Bonds Similarly Secured are delivered or incurred, as the case may be). The Required Reserve shall be used solely for the payment of the principal of and interest on Bonds Similarly Secured when other funds available therefor are insufficient and, in addition, may be used to the extent not required to maintain the "Required Reserve," to pay, or provide for the payment of, the final principal amount of a series of Bonds Similarly Secured so that such series of Bonds Similarly Secured is no longer deemed to be "Outstanding" as such term is defined herein with reference to the Bonds.

In addition to the sums prescribed in the ordinances for the Outstanding Parity Bonds, the City shall deposit into the Reserve Fund on or before the last day of each month, beginning on or before the last day of the month next following the month in which the Bonds are delivered, from available Net Revenues of the System an equal amount per month which will within five calendar years of the date of the Bonds accumulate the additional amount, if any, required to be on deposit in the Reserve Fund as a result of the issuance of the Bonds. So long as the money and investments in the Reserve Fund total not less than the Required Reserve, no additional deposits need be made to the credit of the Reserve Fund, but when and if the Reserve Fund at any time contains less than the Required Reserve (other than as a result of the issuance of Additional Parity Bonds as provided herein), the City covenants and agrees to cure the deficiency in the Required Reserve by resuming monthly deposits to said Fund from the Net Revenues, such monthly deposits to be in amounts equal to not less than 1/60th of the then total Required Reserve to be maintained in said Fund and to be made on or before the last day of each month until the total Required Reserve then to be maintained in said Fund has been fully restored, and the City hereby covenants and agrees that, subject only to the payments to be made to the Bond Fund, the Net Revenues of the System shall be applied and appropriated and used to establish and maintain the Required Reserve and cure any deficiency in such amount as required by the provisions of this Ordinance and any other ordinance pertaining to obligations the payment of which are secured by the Required Reserve. During such time as the Reserve Fund

contains the total Required Reserve, the City may, at its option, withdraw all surplus in the Reserve Fund in excess of the Required Reserve and deposit such surplus in the System Fund; provided, that any such surplus attributable to proceeds of bonds may be used only for the purposes for which such bond proceeds may be used. The Pricing Certificate shall set forth the method of funding the Reserve Fund.

(g) Deficiencies in Funds. If in any month the City shall, for any reason, fail to pay into the Bond Fund or the Reserve Fund the full amounts above stipulated, amounts equivalent to such deficiencies shall be set apart and paid into said funds from the first available Net Revenues of the System, or from any other sources available for such purpose, in the following month or months and such payments shall be in addition to the amounts hereinabove provided to be otherwise paid into said funds during such month or months.

(h) Excess Revenues. Any revenues in excess of those required to establish and maintain the special funds as above provided may be used for any lawful purpose.

(i) Security of Funds. All moneys on deposit in the funds referred to in this Ordinance shall be secured in the manner and to the fullest extent required by the laws of the State for the security of public funds, and moneys on deposit in such funds shall be used only for the purposes permitted by the ordinances authorizing the issuance of Bonds Similarly Secured.

(j) Investments.

(i) Money in any Fund established pursuant to this Ordinance may, at the option of the City, be placed in time deposits (in authorized depositories of the City) or certificates of deposit secured (to the extent not insured by the Federal Deposit Insurance Corporation) by obligations of the type hereinafter described, or be invested, including investments held in book-entry form, in direct obligations of the United States of America and obligations guaranteed or insured by the United States of America, which, in the opinion of the Attorney General of the United States, are backed by its full faith and credit or represent its general obligations; provided that all such deposits and investments shall be made in such a manner that the money required to be expended from any Fund will be available at the proper time or times. Such investments (except State and Local Government Series investments held in book entry form, which shall at all times be valued at cost) shall be valued in terms of current market value within 45 days of the close of each Fiscal Year and, with respect to investments held for the account of the Reserve Fund, within 30 days of the date of passage of each ordinance authorizing the issuance of Additional Parity Bonds.

(ii) Any securities or obligations in which money is so invested shall be kept and held in trust for the benefit of the Owners and shall be sold and the proceeds of sale shall be timely applied to the making of all payments required to be made from the fund from which the investment was made.

(k) Investment Income. All interest and income derived from deposits and investments in the Bond Fund immediately shall be credited to, and any losses debited to, the Bond Fund. All interest and interest income derived from deposits in and investments of the Reserve Fund shall, subject to the limitations provided in Section 6(f) hereof, be credited to and deposited in the System Fund.

Section 7. ADDITIONAL BONDS. In addition to the right to issue obligations of inferior lien as authorized by the laws of the State, the City hereby reserves the right to issue additional obligations which, when duly authorized and issued in compliance with the terms and conditions hereinafter appearing, shall be on a parity with the Bonds, payable from and equally secured by a first lien on and pledge of the Net Revenues of the System. The additional obligations may be issued in one or more installments provided, however, that none shall be issued unless and until the following conditions have been met:

(a) The Finance Director of the City (or other officer of the City then having the primary responsibility for the financial affairs of the City) shall have executed a certificate stating (a) that, to the best of his knowledge and belief, the City is not then in default as to any covenant, obligation or agreement contained in any ordinance or other proceeding relating to any obligations of the City payable from and secured by a lien on and pledge of the Net Revenues of the System that would materially affect the security or payment of such obligations and (b) either (i) payments into all special funds or accounts created and established for the payment and security of all outstanding obligations payable from and secured by a lien on and pledge of the Net Revenues of the System have been made and that the amounts on deposit in such special funds or accounts are the amounts then required to be on deposit therein or (ii) the application of the proceeds of sale of such obligations then being issued will cure any such deficiency.

(b) The additional obligations are made to mature March 1 or September 1 of each of the years in which they are scheduled to mature.

(c) The City has secured from a Certified Public Accountant a certificate or opinion showing that, according to the books and records of the City, the Net Earnings for either (i) the last completed Fiscal Year, or (ii) a consecutive twelve-month period out of the last fifteen months immediately preceding the month the ordinance authorizing the issuance of the Additional Parity Bonds is adopted, are equal to at least (i) 1.25 times the Average Annual Debt Service of all Bonds Similarly Secured which will be outstanding after giving effect to the issuance of the Additional Parity Bonds then being issued and (ii) 1.10 times the maximum annual Debt Service payment to be paid in a Fiscal Year for the outstanding Bonds Similarly Secured after giving effect to the issuance of the Additional Parity Bonds then being issued. In making a determination of the Net Earnings, the Accountant may take into consideration a change in the rates and charges for services and facilities afforded by the System that became effective at least sixty (60) days prior to the date the ordinance authorizing the issuance of the Additional Parity Bonds is adopted and, for purposes of satisfying the above Net Earnings test, make a pro forma determination of the Net Earnings of the System for the period of time covered by his certification or opinion based on such change in rates and charges being in effect for the entire period covered by the Accountant's certificate or opinion.

(d) The ordinance authorizing the additional obligations makes provision for deposits to be made into:

(i) The Bond Fund established for the payment of Bonds Similarly Secured of amounts adequate to pay the principal and interest requirements of the additional obligations as the same becomes due; and

(ii) The Reserve Fund of an additional amount so that the total amount to be accumulated in such Fund will be equal to not less than the average annual principal and interest requirement for all Bonds Similarly Secured to be outstanding after giving effect to the issuance of the proposed additional obligations (such average annual requirement to be calculated on a Fiscal Year basis as of the date of delivery of the proposed additional obligations). Any additional amount required to be deposited in the Reserve Fund shall be required (by such authorizing ordinance) to be accumulated therein within five calendar years of the date of such proposed additional obligations.

(e) As used in this Section, the Term "Net Earnings" shall mean the Gross Revenues of the System after deducting the Maintenance and Operating Expenses of the System, but not depreciation charges or other expenditures which, under generally accepted accounting principles, should be treated as capital expenditures.

(f) Bonds Similarly Secured may be refunded (pursuant to any law then available) upon such terms and conditions as the Council may deem to the best interest of the City and its inhabitants, and if less than all such outstanding Bonds Similarly Secured are refunded the proposed refunding bonds shall be considered as "Additional Parity Bonds" under the provisions of this Section and the certificate required in subdivision (c) shall give effect to the issuance of the proposed refunding bonds (and shall not give effect to the bonds being refunded following their cancellation or provision being made for their payment).

Section 8. PARTICULAR REPRESENTATIONS AND COVENANTS

(a) Rates and Charges. The City further covenants and agrees with the Owners that, so long as any of the Bonds Similarly Secured remain outstanding and unpaid, it shall fix and maintain rates and collect charges for the facilities and services afforded by the System that are reasonably expected, on the basis of available information and experience and with due allowance for contingencies, to produce Gross Revenues in each Fiscal Year sufficient at all times:

(i) To pay all Maintenance and Operating Expenses, depreciation charges and replacement and betterment costs;

(ii) To produce Net Revenues sufficient to pay the principal of and interest on the Bonds Similarly Secured and the amounts required to be deposited into the special funds created and established for the payment and security of the Bonds Similarly Secured, and

to pay any other legally incurred indebtedness payable only from and secured solely by a lien on and pledge of the Net Revenues of the System; and

(iii) To produce Net Revenues equal to at least 1.20 times the Debt Service due and payable on outstanding Bonds Similarly Secured.

(b) Maintenance and Operation; Insurance. The City hereby covenants and agrees that the System shall be maintained in good condition and operated in an efficient manner and at reasonable cost. So long as any of the Bonds Similarly Secured are outstanding, the City agrees to maintain casualty and other insurance on the System of a kind and in an amount customarily carried by municipal corporations owning and operating similar properties. Nothing in this Ordinance shall be construed as requiring the City to expend any funds which are derived from sources other than the operation of the System but nothing herein shall be construed as preventing the City from doing so.

(c) No Free Service. The City covenants and agrees that no free service shall be allowed, and should the City or any of its agents or instrumentalities make use of the services and facilities of the System, payment of the reasonable value thereof shall be made by the City out of funds from sources other than the revenues and income of the System.

(d) Records and Accounts; Accounting Reports. The City hereby covenants and agrees that so long as any of the Bonds or any interest thereon remain outstanding and unpaid, it will keep and maintain a proper and complete system of records and accounts pertaining to the operation of the System parts separate and apart from all other records and accounts of the City in which complete and correct entries shall be made of all transactions relating to said System, as provided by Chapter 1502 or other applicable law. The Owner or Owners of any Bonds or any duly authorized agent or agents of such Owners shall have the right at all reasonable times to inspect all such records, accounts and data relating thereto and to inspect the System and all properties comprising same. The City further agrees that following the close of each Fiscal Year, it will cause an audit of such books and accounts to be made by an independent firm of Certified Public Accountants. Each such audit, in addition to whatever other matters may be thought proper by the Accountant, shall particularly include the following:

(i) A statement of the income and expenditures of the components of the System for such fiscal year.

(ii) A balance sheet as of the end of such Fiscal Year.

(iii) A statement of the source and disposition of all funds of the System during such Fiscal Year.

(iv) The Accountant's comments regarding the manner in which the City has complied with the covenants and requirements of this Ordinance and any other ordinance authorizing the issuance of Bonds Similarly Secured and his recommendations for any changes or improvements in the operation, records and accounts of the System.

(iv) A list of the insurance policies in force at the end of the Fiscal Year on the System properties, setting out as to each policy the amount thereof, the risk covered, the name of the insurer, and the policy's expiration date.

Expenses incurred in making the audits above referred to are to be regarded as Maintenance and Operating Expenses of the System and paid as such. Copies of the aforesaid annual audit shall be immediately furnished to the Executive Director of the Municipal Advisory Council of Texas at his office in Austin, Texas, and, upon written request, to the original purchasers and any subsequent Owner. The audits herein required shall be made within 120 days following the close of each Fiscal Year insofar as is possible.

(e) Sale or Lease of Properties. The City, to the extent and in the manner authorized by law, may sell or exchange for consideration representing the fair value thereof, as determined by the Council, any property not necessary or required in the efficient operations of the System, or any equipment not necessary or useful in the operations thereof or which is obsolete, damaged or worn out or otherwise unsuitable for use in the operation of the System. The proceeds of any sale of properties of the System shall be deposited in the System Fund.

(f) Competition. That so far as it legally may, the City covenants and agrees, for the protection and security of the Bonds Similarly Secured and the holders thereof from time to time and until all Bonds Similarly Secured shall have been retired, that it will not grant a franchise for the installation or operation of any water and/or sewer system other than those owned by the City, that it will prohibit the operation of any waterworks or sewer system other than those operated by the City, and the operation of any such system by anyone other than the City is hereby prohibited.

(g) Further Covenants. The City further covenants and agrees by and through this Ordinance as follows:

(i) That it has the lawful power to pledge the revenues supporting this issue of Bonds and has lawfully exercised said power under the Constitution and laws of the State, including power existing under Chapter 1502, Texas Government Code.

(ii) That other than for the payment of the Bonds Similarly Secured, and obligations of the City payable from and secured by a lien on and pledge of the revenues of the System subordinate and inferior to such lien and pledge for the Bonds Similarly Secured, the Net Revenues of the System have not been pledged in any manner to the payment of any debt or obligation of the City, nor of said System.

(iii) It will duly and punctually keep, observe and perform each and every undertaking, covenant and condition on its part to be kept, observed and performed, contained in this Ordinance and in the ordinances authorizing the Outstanding Parity Bonds and any Additional Parity Bonds, and that it will prior to the maturity of each installment of interest and prior to the maturity of each Outstanding Parity Bond, Bond,

and Additional Parity Bond issued thereunder, make available at the principal office of the Paying Agent/Registrar, but only from the sources herein provided, sufficient funds to promptly pay such principal and interest.

(iv) The City will comply with all of the terms and conditions of any and all franchises, permits and authorizations applicable to or necessary with respect to the System, and which have been obtained from any governmental agency; and the City has or will obtain and keep in full force and effect all franchises, permits, authorizations and other requirements applicable to or necessary with respect to the acquisition, construction, equipment, operation and maintenance of the System.

Section 9. DEFEASANCE OF BONDS.

(a) Any Bond and the interest thereon shall be deemed to be paid, retired and no longer outstanding (a "Defeased Bond") within the meaning of this Ordinance, except to the extent provided in subsection (d) of this Section, when payment of the principal of such Bond, plus interest thereon to the due date (whether such due date be by reason of maturity or otherwise) either (i) shall have been made or caused to be made in accordance with the terms thereof, or (ii) shall have been provided for on or before such due date by irrevocably depositing with or making available to the Paying Agent/Registrar in accordance with an escrow agreement or other instrument (the "Future Escrow Agreement") for such payment (1) lawful money of the United States of America sufficient to make such payment or (2) Defeasance Securities that mature as to principal and interest in such amounts and at such times as will insure the availability, without reinvestment, of sufficient money to provide for such payment, and when proper arrangements have been made by the City with the Paying Agent/Registrar for the payment of its services until all Defeased Bonds shall have become due and payable. At such time as a Bond shall be deemed to be a Defeased Bond hereunder, as aforesaid, such Bond and the interest thereon shall no longer be secured by, payable from, or entitled to the benefits of, the Net Revenues herein pledged as provided in this Ordinance, and such principal and interest shall be payable solely from such money or Defeasance Securities. Notwithstanding any other provision of this Ordinance to the contrary, it is hereby provided that any determination not to redeem Defeased Bonds that is made in conjunction with the payment arrangements specified in subsection 9(a)(i) or (ii) shall not be irrevocable, provided that: (1) in the proceedings providing for such payment arrangements, the City expressly reserves the right to call the Defeased Bonds for redemption; (2) gives notice of the reservation of that right to the owners of the Defeased Bonds immediately following the making of the payment arrangements; and (3) directs that notice of the reservation be included in any redemption notices that it authorizes.

(b) Any moneys so deposited with the Paying Agent/Registrar may at the written direction of the City be invested in Defeasance Securities, maturing in the amounts and times as hereinbefore set forth, and all income from such Defeasance Securities received by the Paying Agent/Registrar that is not required for the payment of the Bonds and interest thereon, with respect to which such money has been so deposited, shall be turned over to the City, or deposited as directed in writing by the City. Any Future Escrow Agreement pursuant to which the money and/or Defeasance Securities are held for the payment of Defeased Bonds may contain

provisions permitting the investment or reinvestment of such moneys in Defeasance Securities or the substitution of other Defeasance Securities upon the satisfaction of the requirements specified in subsection 9(a)(i) or (ii). All income from such Defeasance Securities received by the Paying Agent/Registrar which is not required for the payment of the Defeased Bonds, with respect to which such money has been so deposited, shall be remitted to the City or deposited as directed in writing by the City.

(c) Until all Defeased Bonds shall have become due and payable, the Paying Agent/Registrar shall perform the services of Paying Agent/Registrar for such Defeased Bonds the same as if they had not been defeased, and the City shall make proper arrangements to provide and pay for such services as required by this Ordinance.

(d) In the event that the City elects to defease less than all of the principal amount of Bonds of a maturity, the Paying Agent/Registrar shall select, or cause to be selected, such amount of Bonds by such random method as it deems fair and appropriate.

Section 10. DAMAGED, MUTILATED, LOST, STOLEN, OR DESTROYED BONDS. (a) Replacement Bonds. In the event any outstanding Bond is damaged, mutilated, lost, stolen, or destroyed, the Paying Agent/Registrar shall cause to be printed, executed, and delivered, a new bond of the same principal amount, maturity, and interest rate, as the damaged, mutilated, lost, stolen, or destroyed Bond, in replacement for such Bond in the manner hereinafter provided.

(b) Application for Replacement Bonds. Application for replacement of damaged, mutilated, lost, stolen, or destroyed Bonds shall be made by the registered owner thereof to the Paying Agent/Registrar. In every case of loss, theft, or destruction of a Bond, the registered owner applying for a replacement bond shall furnish to the City and to the Paying Agent/Registrar such security or indemnity as may be required by them to save each of them harmless from any loss or damage with respect thereto. Also, in every case of loss, theft, or destruction of a Bond, the registered owner shall furnish to the City and to the Paying Agent/Registrar evidence to their satisfaction of the loss, theft, or destruction of such Bond. In every case of damage or mutilation of a Bond, the registered owner shall surrender to the Paying Agent/Registrar for cancellation the Bond so damaged or mutilated.

(c) No Default Occurred. Notwithstanding the foregoing provisions of this Section, in the event any such Bond shall have matured, and no default has occurred which is then continuing in the payment of the principal of or interest on the Bond, the City may authorize the payment of the same (without surrender thereof except in the case of a damaged or mutilated Bond) instead of issuing a replacement Bond, provided security or indemnity is furnished as above provided in this Section.

(d) Charge for Issuing Replacement Bonds. Prior to the issuance of any replacement bond, the Paying Agent/Registrar shall charge the registered owner of such Bond with all legal, printing, and other expenses in connection therewith. Every replacement bond issued pursuant to the provisions of this Section by virtue of the fact that any Bond is lost, stolen, or destroyed shall

constitute a contractual obligation of the City whether or not the lost, stolen, or destroyed Bond shall be found at any time, or be enforceable by anyone, and shall be entitled to all the benefits of this Ordinance equally and proportionately with any and all other Bonds duly issued under this Ordinance.

(e) Authority for Issuing Replacement Bonds. In accordance with Subchapter B of Chapter 1206, this Section shall constitute authority for the issuance of any such replacement bond without necessity of further action by the governing body of the City or any other body or person, and the duty of the replacement of such bonds is hereby authorized and imposed upon the Paying Agent/Registrar, and the Paying Agent/Registrar shall authenticate and deliver such Bonds in the form and manner and with the effect, as provided in this Ordinance for Bonds issued in conversion and exchange for other Bonds.

Section 11. CUSTODY, APPROVAL, AND REGISTRATION OF BONDS; BOND COUNSEL'S OPINION; CUSIP NUMBERS AND CONTINGENT INSURANCE PROVISION, IF OBTAINED. The Mayor (or, in the absence of the Mayor, the Mayor Pro Tem) is hereby authorized to have control of the Bonds initially issued and delivered hereunder and all necessary records and proceedings pertaining to the Bonds pending their delivery and their investigation, examination and approval by the Attorney General, and their registration by the Comptroller. Upon registration of the Bonds, the Comptroller (or a deputy designated in writing to act for the Comptroller) shall sign the Comptroller's Registration Certificate attached to such Bonds in the manner prescribed by law, and the seal of the Comptroller shall be impressed, or placed in facsimile, on such Bond. The approving legal opinion of the City's Bond Counsel and the assigned CUSIP numbers may, at the option of the City, be printed on the Bonds issued and delivered under this Ordinance, but neither shall have any legal effect, and shall be solely for the convenience and information of the registered owners of the Bonds. In addition, if bond insurance is obtained, the Bonds may bear an appropriate legend as provided by the insurer.

Section 12. COVENANTS REGARDING TAX EXEMPTION OF INTEREST ON THE BONDS. (a) Covenants. The City covenants to take any action necessary to assure, or refrain from any action which would adversely affect, the treatment of the Bonds as obligations described in section 103 of the Code, the interest on which is not includable in the "gross income" of the holder for purposes of federal income taxation. In furtherance thereof, the City covenants as follows:

(i) to take any action to assure that no more than 10 percent of the proceeds of the Bonds or the projects financed therewith (less amounts deposited to a reserve fund, if any) are used for any "private business use," as defined in section 141(b)(6) of the Code or, if more than 10 percent of the proceeds or the projects financed therewith are so used, such amounts, whether or not received by the City, with respect to such private business use, do not, under the terms of this Ordinance or any underlying arrangement, directly or indirectly, secure or provide for the payment of more than 10 percent of the debt service on the Bonds, in contravention of section 141(b)(2) of the Code;

(ii) to take any action to assure that in the event that the "private business use" described in subsection (1) hereof exceeds 5 percent of the proceeds of the Bonds or the projects financed therewith (less amounts deposited into a reserve fund, if any) then the amount in excess of 5 percent is used for a "private business use" which is "related" and not "disproportionate," within the meaning of section 141(b)(3) of the Code, to the governmental use;

(iii) to take any action to assure that no amount which is greater than the lesser of $5,000,000, or 5 percent of the proceeds of the Bonds (less amounts deposited into a reserve fund, if any) is directly or indirectly used to finance loans to persons, other than state or local governmental units, in contravention of section 141(c) of the Code;

(iv) to refrain from taking any action which would otherwise result in the Bonds being treated as "private activity bonds" within the meaning of section 141(b) of the Code;

(v) to refrain from taking any action that would result in the Bonds being "federally guaranteed" within the meaning of section 149(b) of the Code;

(vi) to refrain from using any portion of the proceeds of the Bonds, directly or indirectly, to acquire or to replace funds which were used, directly or indirectly, to acquire investment property (as defined in section 148(b)(2) of the Code) which produces a materially higher yield over the term of the Bonds, other than investment property acquired with:

(A) proceeds of the Bonds invested for a reasonable temporary period of 5 years or less or, in the case of a refunding bond, for a period of 90 days or less until such proceeds are needed for the purpose for which the bonds are issued,

(B) amounts invested in a bona fide debt service fund, within the meaning of section l.148 1(b) of the Treasury Regulations, and

(C) amounts deposited in any reasonably required reserve or replacement fund to the extent such amounts do not exceed 10 percent of the proceeds of the Bonds;

(vii) to otherwise restrict the use of the proceeds of the Bonds or amounts treated as proceeds of the Bonds, as may be necessary, so that the Bonds do not otherwise contravene the requirements of section 148 of the Code (relating to arbitrage);

(viii) to refrain from using the proceeds of the Bonds or proceeds of any prior bonds to pay debt service on another issue more than 90 days after the date of issue of the Bonds in contravention of the requirements of section 149(d) of the Code (relating to advance refundings);

(ix) to pay to the United States of America at least once during each five-year period (beginning on the date of delivery of the Bonds) an amount that is at least equal to 90 percent of the "Excess Earnings," within the meaning of section 148(f) of the Code and to pay to the United States of America, not later than 60 days after the Bonds have been paid in full, 100 percent of the amount then required to be paid as a result of Excess Earnings under section 148(f) of the Code; and

(x) to establish reasonable expectations to prevent using the proceeds of the Bonds in contravention of the requirements of section 149(g) of the Code (relating to hedge bonds).

(b) Rebate Fund. In order to facilitate compliance with the above covenant (8), a "Rebate Fund" is hereby established by the City for the sole benefit of the United States of America, and such fund shall not be subject to the claim of any other person, including without limitation the bondholders. The Rebate Fund is established for the additional purpose of compliance with section 148 of the Code.

(c) Use of Proceeds. The City understands that the term "proceeds" includes "disposition proceeds" as defined in the Treasury Regulations and, in the case of refunding bonds, transferred proceeds (if any) and proceeds of the refunded bonds expended prior to the date of issuance of the Bonds. It is the understanding of the City that the covenants contained herein are intended to assure compliance with the Code and any regulations or rulings promulgated by the U.S. Department of the Treasury pursuant thereto. In the event that regulations or rulings are hereafter promulgated which modify or expand provisions of the Code, as applicable to the Bonds, the City will not be required to comply with any covenant contained herein to the extent that such failure to comply, in the opinion of nationally recognized bond counsel, will not adversely affect the exemption from federal income taxation of interest on the Bonds under section 103 of the Code. In the event that regulations or rulings are hereafter promulgated which impose additional requirements which are applicable to the Bonds, the City agrees to comply with the additional requirements to the extent necessary, in the opinion of nationally recognized bond counsel, to preserve the exemption from federal income taxation of interest on the Bonds under section 103 of the Code. In furtherance of such intention, the City hereby authorizes and directs the Authorized Officials to execute any documents, certificates or reports required by the Code and to make such elections, on behalf of the City, which may be permitted by the Code as are consistent with the purpose for the issuance of the Bonds.

(d) Allocation of, and Limitation on, Expenditures for the Project. The City covenants to account for the expenditure of sale proceeds and investment earnings to be used for the Project on its books and records in accordance with the requirements of the Code. The City recognizes that in order for the proceeds to be considered used for the reimbursement of costs, the proceeds must be allocated to expenditures within 18 months of the later of the date that (1) the expenditure is made, or (2) the Project is completed; but in no event later than three years after the date on which the original expenditure is paid. The foregoing notwithstanding, the City recognizes that in order for proceeds to be expended under the Code, the sale proceeds or investment earnings must be expended no more than 60 days after the earlier of (1) the fifth anniversary of the Delivery Date, or (2) the date the Bonds are retired. The City agrees to obtain the advice of nationally-recognized bond counsel if such expenditure fails to comply with the

foregoing to assure that such expenditure will not adversely affect the tax-exempt status of the Bonds. For purposes hereof, the City shall not be obligated to comply with this covenant if it obtains an opinion that such failure to comply will not adversely affect the excludability for federal income tax purposes from gross income of the interest.

(e) Disposition of the Project. The City covenants that the property constituting the Project will not be sold or otherwise disposed in a transaction resulting in the receipt by the City of cash or other compensation, unless any action taken in connection with such disposition will not adversely affect the tax-exempt status of the Bonds. For purpose of the foregoing, the City may rely on an opinion of nationally-recognized bond counsel that the action taken in connection with such sale or other disposition will not adversely affect the tax-exempt status of the Bonds. For purposes of the foregoing, the portion of the property comprising personal property and disposed in the ordinary course shall not be treated as a transaction resulting in the receipt of cash or other compensation. For purposes hereof, the City shall not be obligated to comply with this covenant if it obtains an opinion that such failure to comply will not adversely affect the excludability for federal income tax purposes from gross income of the interest.

Section 13. SALE OF BONDS; OFFICIAL STATEMENT. (a) The Bonds shall be sold and delivered subject to the provisions hereof and pursuant to the terms and provisions of a Purchase Contract, which the Pricing Officer is hereby authorized to execute and deliver and in which the Underwriter shall be designated. The Bonds shall initially be registered in the name of the Underwriter, unless otherwise set forth in the Pricing Certificate.

(b) The Pricing Officer is hereby authorized, in the name and on behalf of the City, to approve the distribution and delivery of a preliminary official statement and a final official statement relating to the Bonds to be used by the Underwriter in the marketing of the Bonds, if applicable.

Section 14. FURTHER PROCEDURES; ENGAGEMENT OF BOND COUNSEL; ATTORNEY GENERAL FILING FEE. (a) The Authorized Officials, individually or jointly, shall be and they 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 under the corporate seal and on behalf of the City such documents, certificates and instruments, whether or not herein mentioned, as may be necessary or desirable in order to carry out the terms and provisions of this Ordinance, the Blanket Issuer Letter of Representations, the Bonds and the sale of the Bonds. In addition, prior to the delivery of the Bonds, the Authorized Officials 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 this Ordinance or such other document, or (ii) as requested by the Attorney General or his representative to obtain the approval of the Bonds by the Attorney General. In case any officer whose signature shall appear on any Bond shall cease to be such officer before the delivery of such Bond, such signature shall nevertheless be valid and sufficient for all purposes the same as if such officer had remained in office until such delivery.

(b) The obligation of the Underwriter to accept delivery of the Bonds is subject to the Underwriter being furnished with the final, approving opinion of McCall, Parkhurst & Horton

L.L.P., bond counsel to the City, which opinion shall be dated as of and delivered on the Delivery Date. The engagement of such firm as bond counsel to the City in connection with issuance, sale and delivery of the Bonds is hereby approved and confirmed.

(c) In accordance with the provisions of Section 1202.004, Texas Government Code, in connection with the submission of the Bonds to the Attorney General for review and approval, a statutory fee (an amount equal to 0.1% principal amount of the Bonds, subject to a minimum of $750 and a maximum of $9,500) is required to be paid to the Attorney General upon the submission of the transcript of proceedings for the Bonds. The City hereby authorizes and directs that a check in the amount of the Attorney General filing fee for the Bonds, made payable to the "Texas Attorney General," be promptly furnished to the City's Bond Counsel, for payment to the Attorney General in connection with his review of the Bonds.

Section 15. COMPLIANCE WITH RULE 15c2-12. (a) If the Bonds are sold by public offering, and are subject to the Rule (as defined below), the following provisions shall apply, unless modified by the Pricing Officer in the Pricing Certificate:

(i) 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) a guarantee of the foregoing (a) and (b). The term Financial Obligation does not include any municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

"MSRB" means the Municipal Securities Rulemaking Board or any successor to its functions under the Rule.

"Rule" means SEC Rule 15c2 12, as amended from time to time.

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

(ii) Annual Reports. (A) The City shall provide annually to the MSRB, within the timeframe set forth in the Pricing Certificate, in the electronic format prescribed by the MSRB, certain updated financial information and operating data pertaining to the City, being the information described in the Pricing Certificate.

(B) Any financial information described in the Pricing Certificate to be provided shall be (i) prepared in accordance with the accounting principles described in the financial statements of the City appended 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 (ii) audited, if the City commissions an audit of such statements and the audit is completed within the period during which they must be provided. If the audit of such financial statements is not completed within the period set forth in the Pricing Certificate, then the City shall provide unaudited financial information of the type described in the Pricing Certificate within such period, and

audited financial statements for the applicable fiscal year to the MSRB, when and if the audit report on such statements becomes available.

(C) 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.

(D) All financial information, operating data, financial statements and notices required by this Section to be provided to the MSRB shall be provided in an electronic format and be accompanied by identifying information prescribed by the MSRB. 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 (including an official statement or other offering document) available to the public on the MSRB's Internet Web site or filed with the SEC.

(iii) Event Notices. The City shall notify the MSRB, in a timely manner not in excess of ten business days after the occurrence of the event, of any of the following events with respect to the Bonds:

(1) Principal and interest payment delinquencies;
(2) Non-payment related defaults, if material;
(3) Unscheduled draws on debt service reserves reflecting financial difficulties;
(4) Unscheduled draws on credit enhancements reflecting financial difficulties;
(5) Substitution of credit or liquidity providers, or their failure to perform;
(6) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB), or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;
(7) Modifications to rights of holders of the Bonds, if material;
(8) Bond calls, if material, and tender offers;
(9) Defeasances;
(10) Release, substitution, or sale of property securing repayment of the Bonds, if material;
(11) Rating changes;
(12) Bankruptcy, insolvency, receivership, or similar event of the City;
(13) The consummation of a merger, consolidation, or acquisition involving the City or the sale of all or substantially all of the assets of the City, 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; and
(14) Appointment of a successor or additional paying agent/registrar or the change of name of a paying agent/registrar, 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 paragraph (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 of the City 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 (15) and (16) and the definition of Financial Obligation in this Section to have the same meanings as when they are used in the Rule, as evidenced by 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 (a)(ii) of this Section by the time required by subsection (a)(ii).

(iv) Limitations, Disclaimers and Amendments. (A) 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 Bonds within the meaning of the Rule, except that the City in any event will give notice of any deposit made in accordance with this Ordinance or applicable law that causes the Bonds no longer to be outstanding.

(B) The provisions of this Section are for the sole benefit of the registered owners and beneficial owners of the Bonds, and nothing in this Section, express or implied, shall give any benefit or any legal or equitable right, remedy, or claim hereunder to any other person. The 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 Bonds at any future date.

(C) UNDER NO CIRCUMSTANCES SHALL THE CITY BE LIABLE TO THE REGISTERED OWNER OR BENEFICIAL OWNER OF ANY BOND OR ANY OTHER PERSON, IN CONTRACT OR TORT, FOR DAMAGES RESULTING IN

WHOLE OR IN PART FROM ANY BREACH BY THE CITY, WHETHER NEGLIGENT OR WITHOUT FAULT ON ITS PART, OF ANY COVENANT SPECIFIED IN THIS SECTION, BUT EVERY RIGHT AND REMEDY OF ANY SUCH PERSON, IN CONTRACT OR TORT, FOR OR ON ACCOUNT OF ANY SUCH BREACH SHALL BE LIMITED TO AN ACTION FOR MANDAMUS OR SPECIFIC PERFORMANCE.

(D) No default by the City in observing or performing its obligations under this Section shall comprise a breach of or default under the 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.

(E) The provisions of this Section may be amended by the City from time to time to adapt to changed circumstances that arise from a change in legal requirements, a change in law, or a change in the identity, nature, status, or type of operations of the City, but only if (1) the provisions of this Section, as so amended, would have permitted an underwriter to purchase or sell Bonds in the primary offering of the Bonds in compliance with the Rule, taking into account any amendments or interpretations of the Rule since such offering as well as such changed circumstances and (2) either (a) the registered owners 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 Bonds consent to such amendment or (b) a person that is unaffiliated with the City (such as nationally recognized bond counsel) determined that such amendment will not materially impair the interest of the registered owners and beneficial owners of the Bonds. If the City so amends the provisions of this Section, it shall include with any amended financial information or operating data next provided in accordance with subsection (b) of this Section an explanation, in narrative form, of the reason for the amendment and of the impact of any change in the type of financial information or operating data so provided. The City may also amend or repeal the provisions of this continuing disclosure agreement if the SEC amends or repeals the applicable provision of the Rule or a court of final jurisdiction enters judgment that such provisions of the Rule are invalid, but only if and to the extent that the provisions of this sentence would not prevent an underwriter from lawfully purchasing or selling Bonds in the primary offering of the Bonds.

(b) If the Bonds are sold by private placement, the Pricing Officer may agree to provide for an undertaking in accordance with the Rule or may agree to provide other public information to the Underwriter as may be necessary for the sale of the Bonds on the most favorable terms to the City.

Section 16. METHOD OF AMENDMENT. The City hereby reserves the right to amend this Ordinance subject to the following terms and conditions, to-wit:

(a) The City may from time to time, without the consent of any Registered Owner, except as otherwise required by paragraph (b) below, amend or supplement this Ordinance to (i) cure any ambiguity, defect or omission in this Ordinance that does not materially adversely

affect the interests of the Registered Owners, (ii) grant additional rights or security for the benefit of the Registered Owners, (iii) add events of default as shall not be inconsistent with the provisions of this Ordinance and that shall not materially adversely affect the interests of the Registered Owners, (v) qualify this Ordinance under the Trust Indenture Act of 1939, as amended, or corresponding provisions of federal laws from time to time in effect, or (iv) make such other provisions in regard to matters or questions arising under this Ordinance as shall not be materially inconsistent with the provisions of this Ordinance and that shall not, in the opinion of nationally-recognized bond counsel, materially adversely affect the interests of the Registered Owners.

(b) Except as provided in paragraph (a) above, the holders of Bonds aggregating in a majority of the principal amount of then outstanding Bonds that are the subject of a proposed amendment shall have the right from time to time to approve any amendment hereto that may be deemed necessary or desirable by the City; provided, however, that without the consent of 100% of the Registered Owners in aggregate principal amount of the then outstanding Bonds, nothing herein contained shall permit or be construed to permit amendment of the terms and conditions of this Ordinance or in any of the Bonds so as to:

(1) Make any change in the maturity of any of the outstanding Bonds;

(2) Reduce the rate of interest borne by any of the outstanding Bonds;

(3) Reduce the amount of the principal of, or redemption premium, if any, payable on any outstanding Bonds;

(4) Modify the terms of payment of principal or of interest or redemption premium on outstanding Bonds or any of them or impose any condition with respect to such payment; or

(5) Change the minimum percentage of the principal amount of the Bonds necessary for consent to such amendment.

(c) If at any time the City shall desire to amend this Ordinance under this Section, the City shall send by U.S. mail to each registered owner of the affected Bonds a copy of the proposed amendment.

(d) Whenever at any time within one year from the date of mailing of such notice the City shall receive an instrument or instruments executed by the Registered Owners of at least a majority in aggregate principal amount of all of the Bonds then outstanding that are required for the amendment (or 100% if such amendment is made in accordance with paragraph (b)), which instrument or instruments shall refer to the proposed amendment and which shall specifically consent to and approve such amendment, the City may adopt the amendment in substantially the same form.

(e) Upon the adoption of any amendatory Ordinance pursuant to the provisions of this Section, this Ordinance shall be deemed to be modified and amended in accordance with such amendatory Ordinance, and the respective rights, duties, and obligations of the City and all

Registered Owners of such affected Bonds shall thereafter be determined, exercised, and enforced, subject in all respects to such amendment.

(f) Any consent given by the Registered Owner of a Bond pursuant to the provisions of this Section shall be irrevocable for a period of six months from the date of such consent and shall be conclusive and binding upon all future Registered Owners of the same Bond during such period. Such consent may be revoked at any time after six months from the date of said consent by the Registered Owner who gave such consent, or by a successor in title, by filing notice with the City, but such revocation shall not be effective if the Registered Owners the required amount of the affected Bonds then outstanding, have, prior to the attempted revocation, consented to and approved the amendment.

(g) For the purposes of establishing ownership of the Bonds, the City shall rely solely upon the registration of the ownership of such Bonds on the Registration Books kept by the Paying Agent/Registrar.

Section 17. INTEREST EARNINGS ON BOND PROCEEDS; USE OF PREMIUM RECEIVED FROM SALE OF BONDS. (a) Interest Earnings. Interest earnings derived from the proceeds that are deposited to the Capital Projects Fund (defined below) shall be retained therein and used for the purposes for which the Bonds were issued, provided that after the completion of such purposes, any amounts remaining therein shall be deposited to the Interest and Sinking Fund for the Bonds. It is further provided, however, that any interest earnings on bond proceeds that are required to be rebated to the United States of America pursuant to this Ordinance in order to prevent the Bonds from being arbitrage bonds shall be so rebated and not considered as interest earnings for purposes of this Section.

(b) Use of Bond Premium. The net premium received from the sale of the Bonds shall be applied as determined by the Pricing Officer in the Pricing Certificate.

(c) Use of Bond Proceeds.

(i) The City has heretofore created and established, and hereby covenants to continue to maintain on the books of the City, a separate fund entitled the "Capital Projects Fund" (the "Capital Projects Fund") for use by the City for payment of all lawful costs associated with the Project. Proceeds of the Bonds in the amount determined by the Pricing Officer in the Pricing Certificate shall be deposited into the Capital Projects Fund. In addition, the amount to be applied against each bond proposition shall be determined by the Pricing Officer in the Pricing Certificate, and the table in the preambles hereto shall be reproduced in the Pricing Certificate to reflect such determination. Upon payment of all Project costs, any Bond proceeds remaining on deposit in the Capital Projects Fund shall be transferred to the Interest and Sinking Fund. Amounts so deposited to the Interest and Sinking Fund shall be used in the manner described in this Ordinance.

(ii) The City may place proceeds of the Bonds (including investment earnings thereon) and amounts deposited into the Interest and Sinking Fund in investments authorized by the Public Funds Investment Act, Chapter 2256, Texas Government Code,

as amended; provided, however, that the City hereby covenants that the proceeds of the sale of the Bonds will be used as soon as practicable for the Project.

(iii) All deposits authorized or required by this Ordinance shall be secured to the fullest extent required by law for the security of public funds.

Section 18. GOVERNING LAW. This Ordinance shall be construed and enforced in accordance with the laws of the State and the United States of America.

Section 19. 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 this governing body hereby declares that this Ordinance would have been enacted without such invalid provision.

Section 20. EVENTS OF DEFAULT. Each of the following occurrences or events for the purpose of this Ordinance is hereby declared to be an event of default (an "Event of Default"):

(i) the failure to make payment of the principal of or interest on any of the Bonds when the same becomes due and payable; or

(ii) default in the performance or observance of any other covenant, agreement or obligation of the City, the failure to perform which materially, adversely affects the rights of the Registered Owners, including, but not limited to, their prospect or ability to be repaid in accordance with this Ordinance, and the continuation thereof for a period of 60 days after notice of such default is given by any Registered Owner to the City.

Section 21. REMEDIES FOR DEFAULT. (a) Upon the happening of any Event of Default, then and in every case, any Owner or an authorized representative thereof, including, but not limited to, a trustee or trustees therefor, may proceed against the City for the purpose of protecting and enforcing the rights of the Owners under this Ordinance, by mandamus or other suit, action or special proceeding in equity or at law, in any court of competent jurisdiction, for any relief permitted by law, including the specific performance of any covenant or agreement contained herein, or thereby to enjoin any act or thing that may be unlawful or in violation of any right of the Owners hereunder or any combination of such remedies.

(b) It is provided that all such proceedings shall be instituted and maintained for the equal benefit of all Owners of Bonds then outstanding.

Section 22. REMEDIES NOT EXCLUSIVE. (a) No remedy herein conferred or reserved is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given hereunder or under the Bonds or now or hereafter existing at law or in equity; provided, however, that notwithstanding any other provision of this Ordinance, the right to accelerate the debt evidenced by the Bonds shall not be available as a remedy under this Ordinance.

(b) The exercise of any remedy herein conferred or reserved shall not be deemed a waiver of any other available remedy.

(c) By accepting the delivery of a Bond authorized under this Ordinance, such Owner agrees that the certifications required to effectuate any covenants or representations contained in this Ordinance do not and shall never constitute or give rise to a personal or pecuniary liability or charge against the officers, employees or officials of the City or the Council.

Section 23. EFFECTIVE DATE. In accordance with the provisions of Texas Government Code, Section 1201.028, this Ordinance shall be effective immediately upon its adoption by the Council.

Exhibit A

FORM OF BOND

(a) The form of the Bond, including the form of Paying Agent/Registrar's Authentication Certificate, the form of Assignment and the form of Registration Certificate of the Comptroller of Public Accounts of the State of Texas to be attached only to the Bonds initially issued and delivered pursuant to this Ordinance, shall be, respectively, substantially as follows, with such appropriate variations, omissions, or insertions as are permitted or required by this Ordinance and with the Bonds to be completed with information set forth in the Pricing Certificate. The Form of Bond as it appears in this **Exhibit A** shall be completed, amended and modified by Bond Counsel to incorporate the information set forth in the Pricing Certificate, but it is not required for the Form of Bond to be reproduced as an exhibit to the Pricing Certificate.

NO. R-__	UNITED STATES OF AMERICA STATE OF TEXAS CITY OF ROWLETT, TEXAS, WATERWORKS AND SEWER SYSTEM REVENUE BOND, SERIES 2026	PRINCIPAL AMOUNT $_____

INTEREST RATE	DELIVERY DATE	MATURITY DATE	CUSIP NO.
_____%	_____, 2026	March 1, 20__	

REGISTERED OWNER:

PRINCIPAL AMOUNT:

ON THE MATURITY DATE specified above, CITY OF ROWLETT, TEXAS, in Dallas and Rockwall Counties, Texas (the "City"), being a political subdivision of the State of Texas, hereby promises to pay to the Registered Owner set forth above, or registered assigns (hereinafter called the "registered owner") the principal amount set forth above, and to pay interest thereon from the Delivery Date, on [March 1, 2027 and on each September 1 and March 1] thereafter to the maturity date specified above, or the date of redemption prior to maturity, at the interest rate per annum specified above; except that if this Bond is required to be authenticated and the date of its authentication is later than the first Record Date (hereinafter defined), such principal amount shall bear interest from the interest payment date next preceding the date of authentication, unless such date of authentication is after any Record Date but on or before the next following interest payment date, in which case such principal amount shall bear interest from such next following interest payment date; provided, however, that if on the date of authentication hereof the interest on the Bond or Bonds, if any, for which this Bond is being exchanged or converted from is due but has not been paid, then this Bond shall bear interest from the date to which such interest has been paid in full.

THE PRINCIPAL OF AND INTEREST ON this Bond are payable in lawful money of the United States of America, without exchange or collection charges. The principal of this Bond shall be paid to the registered owner hereof upon presentation and surrender of this Bond at maturity, or upon the date fixed for its redemption prior to maturity, at the designated corporate trust office of U.S. Bank Trust Company, National Association, Dallas, Texas, which is the "Paying Agent/Registrar" for this Bond. The payment of interest on this Bond shall be made by the Paying Agent/Registrar to the registered owner hereof on each interest payment date by check or draft, dated as of such interest payment date, drawn by the Paying Agent/Registrar on, and payable solely from, funds of the City required by the ordinance authorizing the issuance of the Bonds (the "Bond Ordinance") to be on deposit with the Paying Agent/Registrar for such purpose as hereinafter provided; and such check or draft shall be sent by the Paying Agent/Registrar by United States mail, first-class postage prepaid, on each such interest payment date, to the registered owner hereof, at its address as it appeared on the fifteenth day of the month next preceding each such date (the "Record Date") on the Registration Books kept by the Paying Agent/Registrar, as hereinafter described. In addition, interest may be paid by such other method, acceptable to the Paying Agent/Registrar, requested by, and at the risk and expense of, the registered owner. In the event of a non-payment of interest on a scheduled payment date, and for 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 business days prior to the Special Record Date by United States mail, first-class postage prepaid, to the address of each owner of a Bond appearing on the Registration Books at the close of business on the last business day next preceding the date of mailing of such notice. Capitalized terms used herein but not otherwise defined shall have the meanings given to such terms in the Bond Ordinance.

ANY ACCRUED INTEREST due at maturity or upon the redemption of this Bond prior to maturity as provided herein shall be paid to the registered owner upon presentation and surrender of this Bond for payment at the principal corporate trust office of the Paying Agent/Registrar. The City covenants with the registered owner of this Bond that on or before each principal payment date and interest payment date for this Bond it will make available to the Paying Agent/Registrar, from the "Bond Fund" created by the Bond Ordinance, the amounts required to provide for the payment, in immediately available funds, of all principal of and interest on the Bonds, when due.

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

THIS BOND is dated _____, 2026, and is authorized in accordance with the Constitution and laws of the State of Texas in the principal amount of $_____ for the acquisition,

construction, installation and equipment of additions, improvements and extensions to the City's waterworks and sewer system and paying the costs incurred in connection with the issuance of the Bonds.

ON MARCH 1, 20__, or on any date thereafter, the Bonds may be redeemed prior to their scheduled maturities, at the option of the City, with funds derived from any available and lawful source, as a whole, or in part, and, if in part, the particular Bonds, or portions thereof, to be redeemed shall be selected and designated by the City (provided that a portion of a Bond may be redeemed only in an integral multiple of $5,000), at a redemption price equal to the principal amount to be redeemed plus accrued interest to the date fixed for redemption.

AT LEAST 30 days prior to the date fixed for any redemption of Bonds or portions thereof prior to maturity a written notice of such redemption shall be sent by the Paying Agent/Registrar by United States mail, first-class postage prepaid, to the registered owner of each Bond to be redeemed at its address as it appeared at the close of business on the day of mailing such notice; provided, however, that the failure of the registered owner to receive such notice, or any defect therein or in the sending or mailing thereof, shall not affect the validity or effectiveness of the proceedings for the redemption of any Bond. By the date fixed for any such redemption, due provision shall be made with the Paying Agent/Registrar for the payment of the required redemption price for the Bonds or portions thereof which are to be so redeemed. If such written notice of redemption is sent and if due provision for such payment is made, all as provided above, the Bonds or portions thereof which are to be so redeemed thereby automatically shall be treated as redeemed prior to their scheduled maturities, and they shall not bear interest after the date fixed for redemption, and they shall not be regarded as being outstanding except for the right of the registered owner to receive the redemption price from the Paying Agent/Registrar out of the funds provided for such payment. If a portion of any Bond shall be redeemed a substitute Bond or Bonds having the same maturity date, bearing interest at the same rate, in any denomination or denominations in any integral multiple of $5,000, at the written request of the registered owner, and in aggregate amount equal to the unredeemed portion thereof, will be issued to the registered owner upon the surrender thereof for cancellation, at the expense of the City, all as provided in the Bond Ordinance.

WITH RESPECT TO ANY OPTIONAL REDEMPTION OF THE BONDS, unless certain prerequisites to such redemption required by the Bond Ordinance have been met and moneys sufficient to pay the principal of and premium, if any, and interest on the Bonds to be redeemed shall have been received by the Paying Agent/Registrar prior to the giving of such notice of redemption, such notice may state that said redemption may, at the option of the City, be 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, or upon any prerequisite set forth in such notice of redemption. If a conditional notice of redemption is given and such prerequisites to the redemption and sufficient moneys are not received, such notice shall be of no force and effect, the City shall not redeem such Bonds and the Paying Agent/Registrar shall give notice, in the manner in which the notice of redemption was given, to the effect that the Bonds have not been redeemed.

ALL BONDS OF THIS SERIES are issuable solely as fully registered Bonds, without

interest coupons, in the denomination of any integral multiple of $5,000. As provided in the Bond Ordinance, this Bond may, at the request of the registered owner or the assignee or assignees hereof, be assigned, transferred, converted into and exchanged for a like aggregate amount of fully registered Bonds, without interest coupons, payable to the appropriate registered owner, assignee or assignees, as the case may be, having any authorized denomination or denominations as requested in writing by the appropriate registered owner, assignee or assignees, as the case may be, upon surrender of this Bond to the Paying Agent/Registrar for cancellation, all in accordance with the form and procedures set forth in the Bond Ordinance. Among other requirements for such assignment and transfer, this Bond must be presented and surrendered to the Paying Agent/Registrar, together with proper instruments of assignment, in form and with guarantee of signatures satisfactory to the Paying Agent/Registrar, evidencing assignment of this Bond or any portion or portions hereof in any authorized denomination to the assignee or assignees in whose name or names this Bond or any such portion or portions hereof is or are to be registered. The form of Assignment printed or endorsed on this Bond may be executed by the registered owner to evidence the assignment hereof, but such method is not exclusive, and other instruments of assignment satisfactory to the Paying Agent/Registrar may be used to evidence the assignment of this Bond or any portion or portions hereof from time to time by the registered owner. The Paying Agent/Registrar's reasonable standard or customary fees and charges for assigning, transferring, converting and exchanging any Bond or portion thereof will be paid by the City. In any circumstance, any taxes or governmental charges required to be paid with respect thereto shall be paid by the one requesting such assignment, transfer, conversion or exchange, as a condition precedent to the exercise of such privilege. The Paying Agent/Registrar shall not be required to make any such transfer or exchange of any Bonds during the period commencing with the close of business on any Record Date and ending with the opening of business on the next following principal or interest payment date or, with respect to any Bond or any portion thereof called for redemption prior to maturity, within 30 days prior to its redemption date.

IN THE EVENT any Paying Agent/Registrar for the Bonds is changed by the City, resigns, or otherwise ceases to act as such, the City has covenanted in the Bond Ordinance that it promptly will appoint a competent and legally qualified substitute therefor, and cause written notice thereof to be mailed to the registered owners of the Bonds.

IT IS HEREBY certified, recited and covenanted that this Bond has been duly and validly authorized, issued and delivered; that all acts, conditions and things required or proper to be performed, exist and be done precedent to or in the authorization, issuance and delivery of this Bond have been performed, existed and been done in accordance with law; that this Bond and all of the bonds of the series of which it is a part constitute special obligations of the City, and, together with certain Outstanding Parity Bonds defined and described in the Ordinance, are payable as to both principal and interest solely from and equally secured by a first lien on and pledge of the Net Revenues of the System. Reference is hereby made to the Ordinance for a more complete statement of the covenants and provisions securing the payment of this Bond and the series of which it is one.

THE CITY EXPRESSLY RESERVES the right to issue further and additional special revenue obligations equally secured by a lien on and pledge of the net revenues of the

System on a parity with the Bonds of this issue; provided, however, that any and all such additional parity obligations may be issued only in accordance with and subject to the covenants, conditions, limitations and restrictions relating thereto which are set out and contained in the Ordinance, to which reference is hereby made for more complete and full particulars.

THE HOLDER HEREOF shall never have the right to demand payment of this obligation out of any funds raised or to be raised by taxation.

THE CITY HAS RESERVED THE RIGHT to amend the Bond Ordinance as provided therein, and under some (but not all) circumstances amendments thereto must be approved by the registered owners of a majority in aggregate principal amount of the outstanding Bonds.

BY BECOMING the registered owner of this Bond, the registered owner thereby acknowledges all of the terms and provisions of the Bond Ordinance, agrees to be bound by such terms and provisions, acknowledges that the Bond Ordinance is duly recorded and available for inspection in the official minutes and records of the governing body of the City, and agrees that the terms and provisions of this Bond and the Bond Ordinance constitute a contract between each registered owner hereof and the City.

IN WITNESS WHEREOF, the City has caused this Bond to be signed with the manual or facsimile signature of the Mayor of the City and countersigned with the manual or facsimile signature of the City Secretary of the City, and has caused the official seal of the City to be duly impressed, or placed in facsimile, on this Bond.

City Secretary City of Rowlett, Texas	Mayor City of Rowlett, Texas

(City Seal)

(b) Form of Paying Agent/Registrar's Authentication Certificate.

PAYING AGENT/REGISTRAR'S AUTHENTICATION CERTIFICATE
(To be executed if this Bond is not accompanied by an
executed Registration Certificate of the Comptroller
of Public Accounts of the State of Texas)

It is hereby certified that this Bond has been issued under the provisions of the Bond Ordinance described in the text of this Bond; and that this Bond has been issued in conversion or replacement of, or in exchange for, a bond, bonds, or a portion of a bond or bonds of a Series which originally was approved by the Attorney General of the State of Texas and registered by the Comptroller of Public Accounts of the State of Texas.

Dated:

U.S. BANK TRUST COMPANY,
NATIONAL ASSOCIATION, Dallas, Texas,

Paying Agent/Registrar

_____

By: _____
Authorized Representative

(c) Form of Assignment.

ASSIGNMENT
(Please print or type clearly)

For value received, the undersigned hereby sells, assigns and transfers unto: _____

_____

Transferee's Social Security or Taxpayer Identification Number: _____

Transferee's name and address, including zip code: _____

_____

the within Bond and all rights thereunder, and hereby irrevocably constitutes and appoints _____

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

Dated: _____

Signature Guaranteed:

NOTICE: Signature(s) must be guaranteed by an eligible guarantor institution participating in a securities transfer association recognized signature guarantee program.	NOTICE: The signature above must correspond with the name of the Registered Owner as it appears upon the front of this Bond in every particular, without alteration or enlargement or any change whatsoever.

(d) Form of Registration Certificate of the Comptroller of Public Accounts.

COMPTROLLER'S REGISTRATION CERTIFICATE: REGISTER NO. _____

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

Witness my signature and seal this _____.

_____
Comptroller of Public Accounts
of the State of Texas

(COMPTROLLER'S SEAL)

(e) Insertions for the Initial Bond.

(i) The initial Bond shall be in the form set forth in paragraph (a) of this Section, except that:

(A) immediately under the name of the Bond, the headings "INTEREST RATE" and "MATURITY DATE" shall both be completed with the words "As shown below" and "CUSIP NO. _____" shall be deleted.

(B) the first paragraph shall be deleted and the following will be inserted:

"THE CITY OF ROWLETT, TEXAS (the "City"), being a political subdivision located in Dallas and Rockwall Counties, Texas, hereby promises to pay to the Registered Owner specified above, or registered assigns (hereinafter called the "Registered Owner"), on March 1 in each of the years, in the principal installments and bearing interest at the per annum rates set forth in the following schedule:

Maturity Date	Principal Amount	Interest Rate
2027		
2028		
2029		
2030		
2031		
2032		
2033		
2034		
2035		
2036		
2037		
2038		
2039		
2040		
2041		
2042		
2043		
2044		

2045
2046

The City promises to pay interest on the unpaid principal amount hereof (calculated on the basis of a 360-day year of twelve 30-day months) from the Delivery Date at the respective Interest Rate per annum specified above. Interest is payable on [March 1, 2027 and on each September 1 and March 1] thereafter to the date of payment of the principal installment specified above, or the date of redemption prior to maturity; except, that if this Bond is required to be authenticated and the date of its authentication is later than the first Record Date (hereinafter defined), such principal amount shall bear interest from the interest payment date next preceding the date of authentication, unless such date of authentication is after any Record Date but on or before the next following interest payment date, in which case such principal amount shall bear interest from such next following interest payment date; provided, however, that if on the date of authentication hereof the interest on the Bond or Bonds, if any, for which this Bond is being exchanged is due but has not been paid, then this Bond shall bear interest from the date to which such interest has been paid in full."

(C) The initial Bond shall be numbered "T-1."

City of Rowlett, Texas

Capital Improvement Plan

2026 GO/CO/Tax Note Issuance- Preliminary; For Illustration Purposes

Attachment 1

A	B	C	D	E	F	G	H	I	J	K	L	M	L	M
										Preliminary				
										GO	***CO***	***Tax Note***		
FYE	Freeze Adjusted Net Taxable Assessed	Assessed Value	Total Outstanding	Less: Debt Service Share of Frozen	LESS: Self Supporting Debt Service			Excess Debt Collections Per	Total Net	Series 2026[3]	Series 2026[4]	Series 2026[5]	**Total Net**	**Calculated I&S Tax**
30-Sep	Value	Growth	Debt Service	Revenue[2]	GOLF	W&S	DRAINAGE	Appraisal District	Debt Service	4.02% TIC	4.02% TIC	3.54% TIC	**Debt Service**	**Rate [1]**
2024	$ 6,687,206,362	10.47%	$ 14,065,384	$ (550,000)	$ (242,990)	$ (1,315,055)	$ (340,500)		$ 11,616,839				**$ 11,616,839**	**0.1705**
2025	6,827,953,132	2.10%	19,409,191	(210,000)	(242,990)	(10,805)	(345,000)	$ (2,216,648)	16,383,747				**16,383,747**	**0.2383**
2026	7,084,641,690	3.76%	21,096,246		(242,790)	(10,496)	(341,846)	(1,246,145)	19,254,969				**19,254,969**	**0.2690**
2027	7,211,537,796	1.79%	16,665,290		(242,053)	(10,187)		(3,295,252) [6]	13,117,799	1,050,011	384,151	4,848,618	**19,400,579**	**0.2690**
2028	7,355,768,552	2.00%	16,675,659		(241,103)	(6,757)		-	16,427,799	1,052,400	382,200	152,125	**18,014,524**	**0.2499**
2029	7,502,883,923	2.00%	16,665,140		(244,940)	(9,671)		-	16,410,529	1,049,900	379,075	156,125	**17,995,629**	**0.2447**
2030	7,652,941,601	2.00%	16,647,718		(243,353)			-	16,404,366	1,051,275	380,575	154,750	**17,990,966**	**0.2399**
2031	7,806,000,433	2.00%	16,401,203		(241,553)			-	16,159,650	1,051,400	381,575	153,125	**17,745,750**	**0.2320**
2032	7,962,120,442	2.00%	15,975,790		(244,540)			-	15,731,250	1,050,275	382,075	156,125	**17,319,725**	**0.2220**
2033	8,121,362,851	2.00%	15,704,449		(242,103)			-	15,462,347	1,047,900	382,075	153,750	**17,046,072**	**0.2142**
2034	8,283,790,108	2.00%	15,702,640		(244,453)			-	15,458,188	1,049,150	381,575		**16,888,913**	**0.2080**
2035	8,449,465,910	2.00%	15,701,318		(241,378)			-	15,459,941	1,048,900	380,575		**16,889,416**	**0.2040**
2036	8,618,455,228	2.00%	15,082,687		(243,090)			-	14,839,597	1,052,025	379,075		**16,270,697**	**0.1926**
2037	8,790,824,333	2.00%	14,758,540		(244,378)			-	14,514,163	1,048,525	381,950		**15,944,638**	**0.1851**
2038	8,966,640,820	2.00%	14,054,237		(245,240)			-	13,808,997	1,048,400	379,200		**15,236,597**	**0.1734**
2039	9,145,973,636	2.00%	12,662,928		(245,340)			-	12,417,588	1,051,400	380,825		**13,849,813**	**0.1545**
2040	9,328,893,109	2.00%	11,084,700					-	11,084,700	1,052,400	381,700		**12,518,800**	**0.1369**
2041	9,515,470,971	2.00%	9,852,656						9,852,656	1,051,400	381,825		**11,285,881**	**0.1210**
2042	9,705,780,390	2.00%	9,201,450						9,201,450	1,047,900	382,800		**10,632,150**	**0.1118**
2043	9,899,895,998	2.00%	8,931,284						8,931,284	1,052,100	379,800		**10,363,184**	**0.1068**
2044	10,097,893,918	2.00%	6,997,219						6,997,219	1,049,800	381,300		**8,428,319**	**0.0852**
2045	10,299,851,796	2.00%	5,078,119						5,078,119	1,051,000	382,200		**6,511,319**	**0.0645**
2046	10,505,848,832	2.00%	2,822,975						2,822,975	1,050,600	382,500		**4,256,075**	**0.0413**
2047	10,715,965,809	2.00%	2,821,494						2,821,494				**2,821,494**	**0.0269**
2048	10,930,285,125	2.00%	2,820,825						2,820,825				**2,820,825**	**0.0263**
2049	11,148,890,828	2.00%	2,820,738						2,820,738				**2,820,738**	**0.0258**
2050	11,371,868,644	2.00%	2,825,869						2,825,869				**2,825,869**	**0.0254**
2051	11,599,306,017	2.00%	2,825,372						2,825,372				**2,825,372**	**0.0249**
2052	11,831,292,137	2.00%	2,824,091						2,824,091				**2,824,091**	**0.0244**
2053	12,067,917,980	2.00%	2,827,250						2,827,250				**2,827,250**	**0.0239**
2054	12,309,276,340	2.00%	2,824,616						2,824,616				**2,824,616**	**0.0234**
2055	12,555,461,867	2.00%	2,825,925						2,825,925				**2,825,925**	**0.0230**
2056	12,806,571,104	2.00%							-				**-**	**-**
			$ 336,653,000		$ (4,134,480)	$ (2,673,824)	$ (1,372,596)	$ (6,758,045)	$ 322,852,348	$ 21,006,761	$ 7,627,051	$ 5,774,618	**$ 357,260,778**	

Assumptions:

(1) Assumes Collection Rate of 98% for 2027+; 2027 reflects 100%

(2) Estimated Debt Service Share of Frozen Tax Revenue

(3) Assumes 9/10/26 Delivery; Deposit to Construction Fund = $14,300,000

(4) Assumes 9/10/26 Delivery; Deposit to Construction Fund = $5,150,000

(5) Assumes 9/10/26 Delivery; Deposit to Construction Fund = $5,503,182

(6) Estimated as of July 2026

City of Rowlett, Texas **Attachment 2**

Project Funding Overview

7/12/2026

Bond Sale Date	Aug-24	Aug-25	Aug-26	Aug-27
Fiscal Year Expense	FY 2025	FY 2026	FY 2027	FY 2028
GO Supported Investments				
Public Safety		17,328,980		20,000,000
Animal Shelter		4,360,000		3,000,000
Herfurth Park		4,000,000		
Traffic Signal Controls	4,100,000			
Traffic Signal Install Liberty Grove		900,000		
Road Construction	4,842,500	2,607,500		
Liberty Grove Rd. / Merritt Road Interconnector		1,000,000		
Country Aire Estates Ph 2			354,684	
Toler Business Park Reconstruction Phase 1			795,608	
Toler Business Park Reconstruction Phase 2			320,000	
RT Lanes 4&5-SH66/Rowlett & SH66/Kenwood			1,400,000	
Chiesa Rd Reconstruction- South			1,999,431	
Miller Road Reconstruction			837,446	
Merritt Rd Interconnector Phase 2			592,831	
Chiesa Road design			2,000,000	
Street & Alley reconstruction	4,000,000	5,250,000	4,000,000	
Wet Zone Waterpark	1,500,000			
Kids Kingdom	1,000,000			
Com. Park Maint. Facility		500,000	1,500,000	
Rowlett Community Center		1,250,000		
Parking Lot Improvements		2,250,000		
Park Improvements			500,000	
Fire Station #1		1,410,000		
Fire Station #3		2,170,000		
Fire Station #4		1,120,000		
Street Lights	300,000	2,850,000		
GO Supported Investments Total	**15,742,500**	**46,996,480**	**14,300,000**	**23,000,000**
CO Supported Investments				
Municipal Complex		20,000,000		
Concrete Panel Replacement	3,000,000	1,003,800	1,000,000	
Asphalt Rd. Improvements	2,000,000	1,167,839		
Sidewalk Connectivity	150,000	150,000	200,000	
Streets Projects	150,000	-	-	
Street & Alley reconstruction	2,700,000	1,793,000	2,500,000	
Screening Wall Rehab		1,535,361		
Flood Gate Automation			300,000	
Downtown District Infrastructure		1,000,000		
Erosion Control		1,000,000		
Rowlett Community Center		350,000	400,000	
Shorewood Park			400,000	
Nature Trail		250,000		
Parks Projects	-	150,000	200,000	
Twin Star Park Basketball Court / RCC			150,000	
Sapphire Bay - Light and Air Truck - SB/Station #5	600,000			
Sapphire Bay - Spartan Ladder Truck (Tiller) - SB/Station #5	2,186,000			
Engine - Station #2		1,250,000		
Blocking Truck		250,000		
CO Supported Investments Total	**10,786,000**	**29,900,000**	**5,150,000**	**-**

City of Rowlett, Texas **Attachment 2**

Project Funding Overview

7/12/2026

Bond Sale Date	Aug-24	Aug-25	Aug-26	Aug-27
Fiscal Year Expense	FY 2025	FY 2026	FY 2027	FY 2028
Tax Note Supported Investments				
Stryker Equipment	1,528,000			
Scott Breathing Apparatus	899,000			
Medic 1 Replacement	376,000			
Bunker Gear	617,000			
Medic 4 Replacement		376,000		
Fire - Ram 1500 (VERF)		39,301		
Fire - Durango (VERF)		39,301		
Dodge 5500 Type I Horton Ambulance - Medic 2			434,000	
Dodge 5500 Type I Horton Ambulance - Medic 3			434,000	
7 Patrol Cars	763,000			
Police - 2 Motorcycle (VERF)	146,904			
Dispatch - Radio Console Communications Center	80,000			
BearCat	200,000			
6 Patrol Cars		654,000		
SWAT - Van (in VERF)		80,000		
Dispatch - Radio Console EOC		80,000		
3 CID Vehicles		100,000		
New Police Vehicles 8.14.25		107,677		
5 Patrol Cars			545,000	
Police - Motorcycle (VERF)			73,452	
Axon Tasers			500,000	
Core switches for Data Center 1 (N2K-C2248TP-1GE)	110,838			
Core switches for Data Center 2 (N5K-C5548UP)	82,518			
IT Networking Equipment		164,000		
Dell VX Rail			611,666	
Parks - PA Paging System RCC	17,000			
Mower (VERF)	82,521			
Aerway (VERF)	39,000			
Streets - Trailer (VERF)	27,403			
Z Sprayer (Parks Maintenace)	19,588			
Turf Aerator (Pub Works)	14,192			
Bobcat Track Loader	83,124			
Code Enforcement Officer Vehicle	50,000			
Enterprise Vehicle Replacement	840,000	1,186,323	2,382,677	
OpenGov			322,387	
Facility Improvements	200,000	200,000	200,000	
Tax Note Supported Investments Total	**6,176,088**	**3,026,602**	**5,503,182**	**-**
Total	**32,704,588**	**79,923,082**	**24,953,182**	**23,000,000**

HilltopSecurities
A Hilltop Holdings Company

SOURCES AND USES OF FUNDS

City of Rowlett, TX
General Obligation Bonds, Series 2026
Assumes Interest Rates as of 7/14/26 + 10bps
Preliminary; For Illustration Purposes Only

Dated Date	**09/10/2026**
Delivery Date	**09/10/2026**

Sources:	
Bond Proceeds:	
Par Amount	**13,880,000.00**
Net Premium	**685,998.95**
	14,565,998.95
Uses:	
Project Fund Deposits:	
Project Fund	**14,300,000.00**
Delivery Date Expenses:	
Cost of Issuance	**168,838.95**
Underwriter's Discount	**97,160.00**
	265,998.95
	14,565,998.95

BOND DEBT SERVICE

City of Rowlett, TX
General Obligation Bonds, Series 2026
Assumes Interest Rates as of 7/14/26 + 10bps
Preliminary; For Illustration Purposes Only

Period Ending	Principal	Coupon	Interest	Debt Service
09/30/2027	460,000	5.000%	590,011.11	1,050,011.11
09/30/2028	440,000	5.000%	612,400.00	1,052,400.00
09/30/2029	460,000	5.000%	589,900.00	1,049,900.00
09/30/2030	485,000	5.000%	566,275.00	1,051,275.00
09/30/2031	510,000	5.000%	541,400.00	1,051,400.00
09/30/2032	535,000	5.000%	515,275.00	1,050,275.00
09/30/2033	560,000	5.000%	487,900.00	1,047,900.00
09/30/2034	590,000	5.000%	459,150.00	1,049,150.00
09/30/2035	620,000	5.000%	428,900.00	1,048,900.00
09/30/2036	655,000	5.000%	397,025.00	1,052,025.00
09/30/2037	685,000	5.000%	363,525.00	1,048,525.00
09/30/2038	720,000	5.000%	328,400.00	1,048,400.00
09/30/2039	760,000	5.000%	291,400.00	1,051,400.00
09/30/2040	800,000	5.000%	252,400.00	1,052,400.00
09/30/2041	840,000	5.000%	211,400.00	1,051,400.00
09/30/2042	875,000	4.000%	172,900.00	1,047,900.00
09/30/2043	915,000	4.000%	137,100.00	1,052,100.00
09/30/2044	950,000	4.000%	99,800.00	1,049,800.00
09/30/2045	990,000	4.000%	61,000.00	1,051,000.00
09/30/2046	1,030,000	4.000%	20,600.00	1,050,600.00
	13,880,000		7,126,761.11	21,006,761.11

BOND DEBT SERVICE

City of Rowlett, TX
General Obligation Bonds, Series 2026
Assumes Interest Rates as of 7/14/26 + 10bps
Preliminary; For Illustration Purposes Only

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
02/15/2027	460,000	5.000%	278,311.11	738,311.11	
08/15/2027			311,700.00	311,700.00	
09/30/2027					1,050,011.11
02/15/2028	440,000	5.000%	311,700.00	751,700.00	
08/15/2028			300,700.00	300,700.00	
09/30/2028					1,052,400.00
02/15/2029	460,000	5.000%	300,700.00	760,700.00	
08/15/2029			289,200.00	289,200.00	
09/30/2029					1,049,900.00
02/15/2030	485,000	5.000%	289,200.00	774,200.00	
08/15/2030			277,075.00	277,075.00	
09/30/2030					1,051,275.00
02/15/2031	510,000	5.000%	277,075.00	787,075.00	
08/15/2031			264,325.00	264,325.00	
09/30/2031					1,051,400.00
02/15/2032	535,000	5.000%	264,325.00	799,325.00	
08/15/2032			250,950.00	250,950.00	
09/30/2032					1,050,275.00
02/15/2033	560,000	5.000%	250,950.00	810,950.00	
08/15/2033			236,950.00	236,950.00	
09/30/2033					1,047,900.00
02/15/2034	590,000	5.000%	236,950.00	826,950.00	
08/15/2034			222,200.00	222,200.00	
09/30/2034					1,049,150.00
02/15/2035	620,000	5.000%	222,200.00	842,200.00	
08/15/2035			206,700.00	206,700.00	
09/30/2035					1,048,900.00
02/15/2036	655,000	5.000%	206,700.00	861,700.00	
08/15/2036			190,325.00	190,325.00	
09/30/2036					1,052,025.00
02/15/2037	685,000	5.000%	190,325.00	875,325.00	
08/15/2037			173,200.00	173,200.00	
09/30/2037					1,048,525.00
02/15/2038	720,000	5.000%	173,200.00	893,200.00	
08/15/2038			155,200.00	155,200.00	
09/30/2038					1,048,400.00
02/15/2039	760,000	5.000%	155,200.00	915,200.00	
08/15/2039			136,200.00	136,200.00	
09/30/2039					1,051,400.00
02/15/2040	800,000	5.000%	136,200.00	936,200.00	
08/15/2040			116,200.00	116,200.00	
09/30/2040					1,052,400.00
02/15/2041	840,000	5.000%	116,200.00	956,200.00	
08/15/2041			95,200.00	95,200.00	
09/30/2041					1,051,400.00
02/15/2042	875,000	4.000%	95,200.00	970,200.00	
08/15/2042			77,700.00	77,700.00	
09/30/2042					1,047,900.00
02/15/2043	915,000	4.000%	77,700.00	992,700.00	
08/15/2043			59,400.00	59,400.00	
09/30/2043					1,052,100.00
02/15/2044	950,000	4.000%	59,400.00	1,009,400.00	
08/15/2044			40,400.00	40,400.00	
09/30/2044					1,049,800.00
02/15/2045	990,000	4.000%	40,400.00	1,030,400.00	
08/15/2045			20,600.00	20,600.00	
09/30/2045					1,051,000.00
02/15/2046	1,030,000	4.000%	20,600.00	1,050,600.00	
09/30/2046					1,050,600.00
	13,880,000		7,126,761.11	21,006,761.11	21,006,761.11

BOND PRICING

City of Rowlett, TX
General Obligation Bonds, Series 2026
Assumes Interest Rates as of 7/14/26 + 10bps
Preliminary; For Illustration Purposes Only

Bond Component	Maturity Date	Amount	Rate	Yield	Price		Yield to Maturity	Call Date	Call Price	Premium (-Discount)
Bond Component:										
	02/15/2027	460,000	5.000%	2.550%	101.039					4,779.40
	02/15/2028	440,000	5.000%	2.610%	103.332					14,660.80
	02/15/2029	460,000	5.000%	2.710%	105.349					24,605.40
	02/15/2030	485,000	5.000%	2.790%	107.180					34,823.00
	02/15/2031	510,000	5.000%	2.910%	108.626					43,992.60
	02/15/2032	535,000	5.000%	3.010%	109.899					52,959.65
	02/15/2033	560,000	5.000%	3.120%	110.875					60,900.00
	02/15/2034	590,000	5.000%	3.210%	111.747					69,307.30
	02/15/2035	620,000	5.000%	3.290%	112.498					77,487.60
	02/15/2036	655,000	5.000%	3.370%	111.873	C	3.510%	02/15/2035	100.000	77,768.15
	02/15/2037	685,000	5.000%	3.470%	111.098	C	3.707%	02/15/2035	100.000	76,021.30
	02/15/2038	720,000	5.000%	3.550%	110.482	C	3.857%	02/15/2035	100.000	75,470.40
	02/15/2039	760,000	5.000%	3.610%	110.023	C	3.970%	02/15/2035	100.000	76,174.80
	02/15/2040	800,000	5.000%	3.710%	109.263	C	4.096%	02/15/2035	100.000	74,104.00
	02/15/2041	840,000	5.000%	3.770%	108.810	C	4.180%	02/15/2035	100.000	74,004.00
	02/15/2042	875,000	4.000%	4.160%	98.188					-15,855.00
	02/15/2043	915,000	4.000%	4.200%	97.641					-21,584.85
	02/15/2044	950,000	4.000%	4.250%	96.941					-29,060.50
	02/15/2045	990,000	4.000%	4.300%	96.205					-37,570.50
	02/15/2046	1,030,000	4.000%	4.350%	95.438					-46,988.60
		13,880,000								685,998.95

Dated Date	09/10/2026	
Delivery Date	09/10/2026	
First Coupon	02/15/2027	
Par Amount	13,880,000.00	
Premium	685,998.95	
Production	14,565,998.95	104.942356%
Underwriter's Discount	-97,160.00	-0.700000%
Purchase Price	14,468,838.95	104.242356%
Accrued Interest		
Net Proceeds	14,468,838.95	

BOND SUMMARY STATISTICS

City of Rowlett, TX
General Obligation Bonds, Series 2026
Assumes Interest Rates as of 7/14/26 + 10bps
Preliminary; For Illustration Purposes Only

Dated Date	09/10/2026
Delivery Date	09/10/2026
First Coupon	02/15/2027
Last Maturity	02/15/2046
Arbitrage Yield	3.845047%
True Interest Cost (TIC)	4.022047%
Net Interest Cost (NIC)	4.106577%
All-In TIC	4.159742%
Average Coupon	4.476437%
Average Life (years)	11.470
Weighted Average Maturity (years)	11.269
Duration of Issue (years)	8.720
Par Amount	13,880,000.00
Bond Proceeds	14,565,998.95
Total Interest	7,126,761.11
Net Interest	6,537,922.16
Bond Years from Dated Date	159,206,111.11
Bond Years from Delivery Date	159,206,111.11
Total Debt Service	21,006,761.11
Maximum Annual Debt Service	1,052,400.00
Average Annual Debt Service	1,081,119.94
Underwriter's Fees (per $1000)	
Average Takedown	
Other Fee	7.000000
Total Underwriter's Discount	7.000000
Bid Price	104.242356

Bond Component	Par Value	Price	Average Coupon	Average Life	Average Maturity Date	Duration	PV of 1 bp change
Bond Component	13,880,000.00	104.942	4.4764369%	11.470	02/28/2038	8.745	11,229.05
	13,880,000.00			11.470			11,229.05

	TIC	All-In TIC	Arbitrage Yield
Par Value	13,880,000.00	13,880,000.00	13,880,000.00
+ Accrued Interest			
+ Premium (Discount)	685,998.95	685,998.95	685,998.95
- Underwriter's Discount	-97,160.00	-97,160.00	
- Cost of Issuance Expense		-168,838.95	
- Other Amounts			
Target Value	14,468,838.95	14,300,000.00	14,565,998.95
Target Date	09/10/2026	09/10/2026	09/10/2026
Yield	4.022047%	4.159742%	3.845047%

SOURCES AND USES OF FUNDS

City of Rowlett, TX
Combination Tax & Limited Surplus Certificates of Obligation, Series 2026
Assumes Interest Rates as of 7/14/26 + 10bps
Preliminary; For Illustration Purposes Only

Dated Date	**09/10/2026**
Delivery Date	**09/10/2026**

Sources:	
Bond Proceeds:	
Par Amount	**5,040,000.00**
Net Premium	**248,709.85**
	5,288,709.85
Uses:	
Project Fund Deposits:	
Project Fund	**5,150,000.00**
Delivery Date Expenses:	
Cost of Issuance	**103,429.85**
Underwriter's Discount	**35,280.00**
	138,709.85
	5,288,709.85

BOND DEBT SERVICE

City of Rowlett, TX
Combination Tax & Limited Surplus Certificates of Obligation, Series 2026
Assumes Interest Rates as of 7/14/26 + 10bps
Preliminary; For Illustration Purposes Only

Period Ending	Principal	Coupon	Interest	Debt Service
09/30/2027	170,000	5.000%	214,151.39	384,151.39
09/30/2028	160,000	5.000%	222,200.00	382,200.00
09/30/2029	165,000	5.000%	214,075.00	379,075.00
09/30/2030	175,000	5.000%	205,575.00	380,575.00
09/30/2031	185,000	5.000%	196,575.00	381,575.00
09/30/2032	195,000	5.000%	187,075.00	382,075.00
09/30/2033	205,000	5.000%	177,075.00	382,075.00
09/30/2034	215,000	5.000%	166,575.00	381,575.00
09/30/2035	225,000	5.000%	155,575.00	380,575.00
09/30/2036	235,000	5.000%	144,075.00	379,075.00
09/30/2037	250,000	5.000%	131,950.00	381,950.00
09/30/2038	260,000	5.000%	119,200.00	379,200.00
09/30/2039	275,000	5.000%	105,825.00	380,825.00
09/30/2040	290,000	5.000%	91,700.00	381,700.00
09/30/2041	305,000	5.000%	76,825.00	381,825.00
09/30/2042	320,000	4.000%	62,800.00	382,800.00
09/30/2043	330,000	4.000%	49,800.00	379,800.00
09/30/2044	345,000	4.000%	36,300.00	381,300.00
09/30/2045	360,000	4.000%	22,200.00	382,200.00
09/30/2046	375,000	4.000%	7,500.00	382,500.00
	5,040,000		2,587,051.39	7,627,051.39

BOND DEBT SERVICE

City of Rowlett, TX
Combination Tax & Limited Surplus Certificates of Obligation, Series 2026
Assumes Interest Rates as of 7/14/26 + 10bps
Preliminary; For Illustration Purposes Only

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
02/15/2027	170,000	5.000%	101,051.39	271,051.39	
08/15/2027			113,100.00	113,100.00	
09/30/2027					384,151.39
02/15/2028	160,000	5.000%	113,100.00	273,100.00	
08/15/2028			109,100.00	109,100.00	
09/30/2028					382,200.00
02/15/2029	165,000	5.000%	109,100.00	274,100.00	
08/15/2029			104,975.00	104,975.00	
09/30/2029					379,075.00
02/15/2030	175,000	5.000%	104,975.00	279,975.00	
08/15/2030			100,600.00	100,600.00	
09/30/2030					380,575.00
02/15/2031	185,000	5.000%	100,600.00	285,600.00	
08/15/2031			95,975.00	95,975.00	
09/30/2031					381,575.00
02/15/2032	195,000	5.000%	95,975.00	290,975.00	
08/15/2032			91,100.00	91,100.00	
09/30/2032					382,075.00
02/15/2033	205,000	5.000%	91,100.00	296,100.00	
08/15/2033			85,975.00	85,975.00	
09/30/2033					382,075.00
02/15/2034	215,000	5.000%	85,975.00	300,975.00	
08/15/2034			80,600.00	80,600.00	
09/30/2034					381,575.00
02/15/2035	225,000	5.000%	80,600.00	305,600.00	
08/15/2035			74,975.00	74,975.00	
09/30/2035					380,575.00
02/15/2036	235,000	5.000%	74,975.00	309,975.00	
08/15/2036			69,100.00	69,100.00	
09/30/2036					379,075.00
02/15/2037	250,000	5.000%	69,100.00	319,100.00	
08/15/2037			62,850.00	62,850.00	
09/30/2037					381,950.00
02/15/2038	260,000	5.000%	62,850.00	322,850.00	
08/15/2038			56,350.00	56,350.00	
09/30/2038					379,200.00
02/15/2039	275,000	5.000%	56,350.00	331,350.00	
08/15/2039			49,475.00	49,475.00	
09/30/2039					380,825.00
02/15/2040	290,000	5.000%	49,475.00	339,475.00	
08/15/2040			42,225.00	42,225.00	
09/30/2040					381,700.00
02/15/2041	305,000	5.000%	42,225.00	347,225.00	
08/15/2041			34,600.00	34,600.00	
09/30/2041					381,825.00
02/15/2042	320,000	4.000%	34,600.00	354,600.00	
08/15/2042			28,200.00	28,200.00	
09/30/2042					382,800.00
02/15/2043	330,000	4.000%	28,200.00	358,200.00	
08/15/2043			21,600.00	21,600.00	
09/30/2043					379,800.00
02/15/2044	345,000	4.000%	21,600.00	366,600.00	
08/15/2044			14,700.00	14,700.00	
09/30/2044					381,300.00
02/15/2045	360,000	4.000%	14,700.00	374,700.00	
08/15/2045			7,500.00	7,500.00	
09/30/2045					382,200.00
02/15/2046	375,000	4.000%	7,500.00	382,500.00	
09/30/2046					382,500.00
	5,040,000		2,587,051.39	7,627,051.39	7,627,051.39

BOND PRICING

City of Rowlett, TX
Combination Tax & Limited Surplus Certificates of Obligation, Series 2026
Assumes Interest Rates as of 7/14/26 + 10bps
Preliminary; For Illustration Purposes Only

Bond Component	Maturity Date	Amount	Rate	Yield	Price		Yield to Maturity	Call Date	Call Price	Premium (-Discount)
Bond Component:										
	02/15/2027	170,000	5.000%	2.550%	101.039					1,766.30
	02/15/2028	160,000	5.000%	2.610%	103.332					5,331.20
	02/15/2029	165,000	5.000%	2.710%	105.349					8,825.85
	02/15/2030	175,000	5.000%	2.790%	107.180					12,565.00
	02/15/2031	185,000	5.000%	2.910%	108.626					15,958.10
	02/15/2032	195,000	5.000%	3.010%	109.899					19,303.05
	02/15/2033	205,000	5.000%	3.120%	110.875					22,293.75
	02/15/2034	215,000	5.000%	3.210%	111.747					25,256.05
	02/15/2035	225,000	5.000%	3.290%	112.498					28,120.50
	02/15/2036	235,000	5.000%	3.370%	111.873	C	3.510%	02/15/2035	100.000	27,901.55
	02/15/2037	250,000	5.000%	3.470%	111.098	C	3.707%	02/15/2035	100.000	27,745.00
	02/15/2038	260,000	5.000%	3.550%	110.482	C	3.857%	02/15/2035	100.000	27,253.20
	02/15/2039	275,000	5.000%	3.610%	110.023	C	3.970%	02/15/2035	100.000	27,563.25
	02/15/2040	290,000	5.000%	3.710%	109.263	C	4.096%	02/15/2035	100.000	26,862.70
	02/15/2041	305,000	5.000%	3.770%	108.810	C	4.180%	02/15/2035	100.000	26,870.50
	02/15/2042	320,000	4.000%	4.160%	98.188					-5,798.40
	02/15/2043	330,000	4.000%	4.200%	97.641					-7,784.70
	02/15/2044	345,000	4.000%	4.250%	96.941					-10,553.55
	02/15/2045	360,000	4.000%	4.300%	96.205					-13,662.00
	02/15/2046	375,000	4.000%	4.350%	95.438					-17,107.50
		5,040,000								248,709.85

Dated Date	09/10/2026	
Delivery Date	09/10/2026	
First Coupon	02/15/2027	
Par Amount	5,040,000.00	
Premium	248,709.85	
Production	5,288,709.85	104.934719%
Underwriter's Discount	-35,280.00	-0.700000%
Purchase Price	5,253,429.85	104.234719%
Accrued Interest		
Net Proceeds	5,253,429.85	

BOND SUMMARY STATISTICS

City of Rowlett, TX
Combination Tax & Limited Surplus Certificates of Obligation, Series 2026
Assumes Interest Rates as of 7/14/26 + 10bps
Preliminary; For Illustration Purposes Only

Dated Date	09/10/2026
Delivery Date	09/10/2026
First Coupon	02/15/2027
Last Maturity	02/15/2046
Arbitrage Yield	3.845423%
True Interest Cost (TIC)	4.022249%
Net Interest Cost (NIC)	4.106612%
All-In TIC	4.256019%
Average Coupon	4.475867%
Average Life (years)	11.468
Weighted Average Maturity (years)	11.267
Duration of Issue (years)	8.718
Par Amount	5,040,000.00
Bond Proceeds	5,288,709.85
Total Interest	2,587,051.39
Net Interest	2,373,621.54
Bond Years from Dated Date	57,800,000.00
Bond Years from Delivery Date	57,800,000.00
Total Debt Service	7,627,051.39
Maximum Annual Debt Service	384,151.39
Average Annual Debt Service	392,528.73
Underwriter's Fees (per $1000)	
Average Takedown	
Other Fee	7.000000
Total Underwriter's Discount	7.000000
Bid Price	104.234719

Bond Component	Par Value	Price	Average Coupon	Average Life	Average Maturity Date	Duration	PV of 1 bp change
Bond Component	5,040,000.00	104.935	4.47586745%	11.468	02/27/2038	8.743	4,076.85
	5,040,000.00			11.468			4,076.85

	TIC	All-In TIC	Arbitrage Yield
Par Value	5,040,000.00	5,040,000.00	5,040,000.00
+ Accrued Interest			
+ Premium (Discount)	248,709.85	248,709.85	248,709.85
- Underwriter's Discount	-35,280.00	-35,280.00	
- Cost of Issuance Expense		-103,429.85	
- Other Amounts			
Target Value	5,253,429.85	5,150,000.00	5,288,709.85
Target Date	09/10/2026	09/10/2026	09/10/2026
Yield	4.022249%	4.256019%	3.845423%

SOURCES AND USES OF FUNDS

City of Rowlett, TX
Tax Notes, Series 2026
Assumes Interest Rates as of 7/14/26 + 10bps
Preliminary; For Illustration Purposes Only

Dated Date	**09/10/2026**
Delivery Date	**09/10/2026**

Sources:	
Bond Proceeds:	
Par Amount	**5,510,000.00**
Premium	**111,100.10**
	5,621,100.10
Uses:	
Project Fund Deposits:	
Project Fund	**5,503,182.00**
Delivery Date Expenses:	
Cost of Issuance	**79,348.10**
Underwriter's Discount	**38,570.00**
	117,918.10
	5,621,100.10

BOND DEBT SERVICE

City of Rowlett, TX
Tax Notes, Series 2026
Assumes Interest Rates as of 7/14/26 + 10bps
Preliminary; For Illustration Purposes Only

Period Ending	Principal	Coupon	Interest	Debt Service
09/30/2027	4,710,000	5.000%	138,618.06	4,848,618.06
09/30/2028	115,000	5.000%	37,125.00	152,125.00
09/30/2029	125,000	5.000%	31,125.00	156,125.00
09/30/2030	130,000	5.000%	24,750.00	154,750.00
09/30/2031	135,000	5.000%	18,125.00	153,125.00
09/30/2032	145,000	5.000%	11,125.00	156,125.00
09/30/2033	150,000	5.000%	3,750.00	153,750.00
	5,510,000		264,618.06	5,774,618.06

BOND DEBT SERVICE

City of Rowlett, TX
Tax Notes, Series 2026
Assumes Interest Rates as of 7/14/26 + 10bps
Preliminary; For Illustration Purposes Only

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
02/15/2027	4,710,000	5.000%	118,618.06	4,828,618.06	
08/15/2027			20,000.00	20,000.00	
09/30/2027					4,848,618.06
02/15/2028	115,000	5.000%	20,000.00	135,000.00	
08/15/2028			17,125.00	17,125.00	
09/30/2028					152,125.00
02/15/2029	125,000	5.000%	17,125.00	142,125.00	
08/15/2029			14,000.00	14,000.00	
09/30/2029					156,125.00
02/15/2030	130,000	5.000%	14,000.00	144,000.00	
08/15/2030			10,750.00	10,750.00	
09/30/2030					154,750.00
02/15/2031	135,000	5.000%	10,750.00	145,750.00	
08/15/2031			7,375.00	7,375.00	
09/30/2031					153,125.00
02/15/2032	145,000	5.000%	7,375.00	152,375.00	
08/15/2032			3,750.00	3,750.00	
09/30/2032					156,125.00
02/15/2033	150,000	5.000%	3,750.00	153,750.00	
09/30/2033					153,750.00
	5,510,000		264,618.06	5,774,618.06	5,774,618.06

BOND PRICING

City of Rowlett, TX
Tax Notes, Series 2026
Assumes Interest Rates as of 7/14/26 + 10bps
Preliminary; For Illustration Purposes Only

Bond Component	Maturity Date	Amount	Rate	Yield	Price	Premium (-Discount)
Bond Component:						
	02/15/2027	4,710,000	5.000%	2.550%	101.039	48,936.90
	02/15/2028	115,000	5.000%	2.610%	103.332	3,831.80
	02/15/2029	125,000	5.000%	2.710%	105.349	6,686.25
	02/15/2030	130,000	5.000%	2.790%	107.180	9,334.00
	02/15/2031	135,000	5.000%	2.910%	108.626	11,645.10
	02/15/2032	145,000	5.000%	3.010%	109.899	14,353.55
	02/15/2033	150,000	5.000%	3.120%	110.875	16,312.50
		5,510,000				111,100.10

Dated Date	09/10/2026	
Delivery Date	09/10/2026	
First Coupon	02/15/2027	
Par Amount	5,510,000.00	
Premium	111,100.10	
Production	5,621,100.10	102.016336%
Underwriter's Discount	-38,570.00	-0.700000%
Purchase Price	5,582,530.10	101.316336%
Accrued Interest		
Net Proceeds	5,582,530.10	

BOND SUMMARY STATISTICS

City of Rowlett, TX
Tax Notes, Series 2026
Assumes Interest Rates as of 7/14/26 + 10bps
Preliminary; For Illustration Purposes Only

Dated Date	09/10/2026
Delivery Date	09/10/2026
First Coupon	02/15/2027
Last Maturity	02/15/2033
Arbitrage Yield	2.797091%
True Interest Cost (TIC)	3.544867%
Net Interest Cost (NIC)	3.629532%
All-In TIC	5.144983%
Average Coupon	5.000000%
Average Life (years)	0.961
Weighted Average Maturity (years)	0.997
Duration of Issue (years)	0.928
Par Amount	5,510,000.00
Bond Proceeds	5,621,100.10
Total Interest	264,618.06
Net Interest	192,087.96
Bond Years from Dated Date	5,292,361.11
Bond Years from Delivery Date	5,292,361.11
Total Debt Service	5,774,618.06
Maximum Annual Debt Service	4,848,618.06
Average Annual Debt Service	897,996.76
Underwriter's Fees (per $1000)	
Average Takedown	
Other Fee	7.000000
Total Underwriter's Discount	7.000000
Bid Price	101.316336

Bond Component	Par Value	Price	Average Coupon	Average Life	Average Maturity Date	Duration	PV of 1 bp change
Bond Component	5,510,000.00	102.016	5.000%	0.961	08/26/2027	0.942	506.60
	5,510,000.00			0.961			506.60

	TIC	All-In TIC	Arbitrage Yield
Par Value	5,510,000.00	5,510,000.00	5,510,000.00
+ Accrued Interest			
+ Premium (Discount)	111,100.10	111,100.10	111,100.10
- Underwriter's Discount	-38,570.00	-38,570.00	
- Cost of Issuance Expense		-79,348.10	
- Other Amounts			
Target Value	5,582,530.10	5,503,182.00	5,621,100.10
Target Date	09/10/2026	09/10/2026	09/10/2026
Yield	3.544867%	5.144983%	2.797091%

SOURCES AND USES OF FUNDS

City of Rowlett, TX
Waterworks & Sewer System Revenue Bonds, Series 2026
Assumes Interest Rates as of 7/14/26 + 10bps
Preliminary; For Illustration Purposes Only

Dated Date	**09/10/2026**
Delivery Date	**09/10/2026**

Sources:	
Bond Proceeds:	
Par Amount	**6,910,000.00**
Premium	**510,331.10**
	7,420,331.10
Uses:	
Project Fund Deposits:	
Project Fund	**7,000,000.00**
Other Fund Deposits:	
Reserve/Capitalized Interest Fund	**226,620.00**
Delivery Date Expenses:	
Cost of Issuance	**145,341.10**
Underwriter's Discount	**48,370.00**
	193,711.10
	7,420,331.10

BOND DEBT SERVICE

City of Rowlett, TX
Waterworks & Sewer System Revenue Bonds, Series 2026
Assumes Interest Rates as of 7/14/26 + 10bps
Preliminary; For Illustration Purposes Only

Period Ending	Principal	Coupon	Interest	Debt Service
09/30/2027	210,000	5.000%	331,612.50	541,612.50
09/30/2028	215,000	5.000%	329,625.00	544,625.00
09/30/2029	230,000	5.000%	318,500.00	548,500.00
09/30/2030	240,000	5.000%	306,750.00	546,750.00
09/30/2031	250,000	5.000%	294,500.00	544,500.00
09/30/2032	265,000	5.000%	281,625.00	546,625.00
09/30/2033	280,000	5.000%	268,000.00	548,000.00
09/30/2034	295,000	5.000%	253,625.00	548,625.00
09/30/2035	305,000	5.000%	238,625.00	543,625.00
09/30/2036	325,000	5.000%	222,875.00	547,875.00
09/30/2037	340,000	5.000%	206,250.00	546,250.00
09/30/2038	355,000	5.000%	188,875.00	543,875.00
09/30/2039	375,000	5.000%	170,625.00	545,625.00
09/30/2040	395,000	5.000%	151,375.00	546,375.00
09/30/2041	415,000	5.000%	131,125.00	546,125.00
09/30/2042	435,000	5.000%	109,875.00	544,875.00
09/30/2043	460,000	5.000%	87,500.00	547,500.00
09/30/2044	480,000	5.000%	64,000.00	544,000.00
09/30/2045	505,000	5.000%	39,375.00	544,375.00
09/30/2046	535,000	5.000%	13,375.00	548,375.00
	6,910,000		4,008,112.50	10,918,112.50

BOND DEBT SERVICE

City of Rowlett, TX
Waterworks & Sewer System Revenue Bonds, Series 2026
Assumes Interest Rates as of 7/14/26 + 10bps
Preliminary; For Illustration Purposes Only

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
03/01/2027	210,000	5.000%	164,112.50	374,112.50	
09/01/2027			167,500.00	167,500.00	
09/30/2027					541,612.50
03/01/2028	215,000	5.000%	167,500.00	382,500.00	
09/01/2028			162,125.00	162,125.00	
09/30/2028					544,625.00
03/01/2029	230,000	5.000%	162,125.00	392,125.00	
09/01/2029			156,375.00	156,375.00	
09/30/2029					548,500.00
03/01/2030	240,000	5.000%	156,375.00	396,375.00	
09/01/2030			150,375.00	150,375.00	
09/30/2030					546,750.00
03/01/2031	250,000	5.000%	150,375.00	400,375.00	
09/01/2031			144,125.00	144,125.00	
09/30/2031					544,500.00
03/01/2032	265,000	5.000%	144,125.00	409,125.00	
09/01/2032			137,500.00	137,500.00	
09/30/2032					546,625.00
03/01/2033	280,000	5.000%	137,500.00	417,500.00	
09/01/2033			130,500.00	130,500.00	
09/30/2033					548,000.00
03/01/2034	295,000	5.000%	130,500.00	425,500.00	
09/01/2034			123,125.00	123,125.00	
09/30/2034					548,625.00
03/01/2035	305,000	5.000%	123,125.00	428,125.00	
09/01/2035			115,500.00	115,500.00	
09/30/2035					543,625.00
03/01/2036	325,000	5.000%	115,500.00	440,500.00	
09/01/2036			107,375.00	107,375.00	
09/30/2036					547,875.00
03/01/2037	340,000	5.000%	107,375.00	447,375.00	
09/01/2037			98,875.00	98,875.00	
09/30/2037					546,250.00
03/01/2038	355,000	5.000%	98,875.00	453,875.00	
09/01/2038			90,000.00	90,000.00	
09/30/2038					543,875.00
03/01/2039	375,000	5.000%	90,000.00	465,000.00	
09/01/2039			80,625.00	80,625.00	
09/30/2039					545,625.00
03/01/2040	395,000	5.000%	80,625.00	475,625.00	
09/01/2040			70,750.00	70,750.00	
09/30/2040					546,375.00
03/01/2041	415,000	5.000%	70,750.00	485,750.00	
09/01/2041			60,375.00	60,375.00	
09/30/2041					546,125.00
03/01/2042	435,000	5.000%	60,375.00	495,375.00	
09/01/2042			49,500.00	49,500.00	
09/30/2042					544,875.00
03/01/2043	460,000	5.000%	49,500.00	509,500.00	
09/01/2043			38,000.00	38,000.00	
09/30/2043					547,500.00
03/01/2044	480,000	5.000%	38,000.00	518,000.00	
09/01/2044			26,000.00	26,000.00	
09/30/2044					544,000.00
03/01/2045	505,000	5.000%	26,000.00	531,000.00	
09/01/2045			13,375.00	13,375.00	
09/30/2045					544,375.00
03/01/2046	535,000	5.000%	13,375.00	548,375.00	
09/30/2046					548,375.00
	6,910,000		4,008,112.50	10,918,112.50	10,918,112.50

BOND PRICING

City of Rowlett, TX
Waterworks & Sewer System Revenue Bonds, Series 2026
Assumes Interest Rates as of 7/14/26 + 10bps
Preliminary; For Illustration Purposes Only

Bond Component	Maturity Date	Amount	Rate	Yield	Price		Yield to Maturity	Call Date	Call Price	Premium (-Discount)
Bond Component:										
	03/01/2027	210,000	5.000%	2.710%	101.072					2,251.20
	03/01/2028	215,000	5.000%	2.780%	103.185					6,847.75
	03/01/2029	230,000	5.000%	2.900%	104.979					11,451.70
	03/01/2030	240,000	5.000%	2.960%	106.688					16,051.20
	03/01/2031	250,000	5.000%	3.080%	107.968					19,920.00
	03/01/2032	265,000	5.000%	3.160%	109.183					24,334.95
	03/01/2033	280,000	5.000%	3.280%	109.959					27,885.20
	03/01/2034	295,000	5.000%	3.380%	110.621					31,331.95
	03/01/2035	305,000	5.000%	3.470%	111.150					34,007.50
	03/01/2036	325,000	5.000%	3.550%	110.531	C	3.674%	03/01/2035	100.000	34,225.75
	03/01/2037	340,000	5.000%	3.650%	109.763	C	3.858%	03/01/2035	100.000	33,194.20
	03/01/2038	355,000	5.000%	3.740%	109.078	C	4.005%	03/01/2035	100.000	32,226.90
	03/01/2039	375,000	5.000%	3.800%	108.624	C	4.109%	03/01/2035	100.000	32,340.00
	03/01/2040	395,000	5.000%	3.890%	107.947	C	4.221%	03/01/2035	100.000	31,390.65
	03/01/2041	415,000	5.000%	3.950%	107.499	C	4.299%	03/01/2035	100.000	31,120.85
	03/01/2042	435,000	5.000%	4.000%	107.127	C	4.362%	03/01/2035	100.000	31,002.45
	03/01/2043	460,000	5.000%	4.060%	106.682	C	4.424%	03/01/2035	100.000	30,737.20
	03/01/2044	480,000	5.000%	4.150%	106.020	C	4.499%	03/01/2035	100.000	28,896.00
	03/01/2045	505,000	5.000%	4.240%	105.362	C	4.567%	03/01/2035	100.000	27,078.10
	03/01/2046	535,000	5.000%	4.360%	104.493	C	4.647%	03/01/2035	100.000	24,037.55
		6,910,000								510,331.10

Dated Date	09/10/2026	
Delivery Date	09/10/2026	
First Coupon	03/01/2027	
Par Amount	6,910,000.00	
Premium	510,331.10	
Production	7,420,331.10	107.385399%
Underwriter's Discount	-48,370.00	-0.700000%
Purchase Price	7,371,961.10	106.685399%
Accrued Interest		
Net Proceeds	7,371,961.10	

BOND SUMMARY STATISTICS

City of Rowlett, TX
Waterworks & Sewer System Revenue Bonds, Series 2026
Assumes Interest Rates as of 7/14/26 + 10bps
Preliminary; For Illustration Purposes Only

Dated Date	09/10/2026
Delivery Date	09/10/2026
First Coupon	03/01/2027
Last Maturity	03/01/2046
Arbitrage Yield	3.811023%
True Interest Cost (TIC)	4.229520%
Net Interest Cost (NIC)	4.423717%
All-In TIC	4.464086%
Average Coupon	5.000000%
Average Life (years)	11.601
Weighted Average Maturity (years)	11.585
Duration of Issue (years)	8.710
Par Amount	6,910,000.00
Bond Proceeds	7,420,331.10
Total Interest	4,008,112.50
Net Interest	3,546,151.40
Bond Years from Dated Date	80,162,250.00
Bond Years from Delivery Date	80,162,250.00
Total Debt Service	10,918,112.50
Maximum Annual Debt Service	548,625.00
Average Annual Debt Service	560,621.95
Underwriter's Fees (per $1000)	
Average Takedown	
Other Fee	7.000000
Total Underwriter's Discount	7.000000
Bid Price	106.685399

Bond Component	Par Value	Price	Average Coupon	Average Life	Average Maturity Date	Duration	PV of 1 bp change
Bond Component	6,910,000.00	107.385	5.000%	11.601	04/17/2038	8.734	4,485.95
	6,910,000.00			11.601			4,485.95

	TIC	All-In TIC	Arbitrage Yield
Par Value	6,910,000.00	6,910,000.00	6,910,000.00
+ Accrued Interest			
+ Premium (Discount)	510,331.10	510,331.10	510,331.10
- Underwriter's Discount	-48,370.00	-48,370.00	
- Cost of Issuance Expense		-145,341.10	
- Other Amounts			
Target Value	7,371,961.10	7,226,620.00	7,420,331.10
Target Date	09/10/2026	09/10/2026	09/10/2026
Yield	4.229520%	4.464086%	3.811023%

City of Rowlett
City Council Agenda Item

Meeting Date: 7/21/2026 **Agenda Item:** 5.B.

Title
Consider action to adopt a resolution approving a Development Agreement between the City of Rowlett and Trail Creek Partners, Ltd. regarding approximately 14.87 acres of land located at 13805 Troy Road, situated in the Madison Price Survey, Abstract No. 257, Rockwall County, Texas.

Staff Representative
Allisen Ducay, Planning Manager

Executive Summary

The proposed Development Agreement establishes the framework for the future development of approximately 14.87 acres located at 13805 Troy Road. The property is currently located within the City of Rowlett's extraterritorial jurisdiction (ETJ) and is proposed for voluntary annexation into the City.

Strategic Priority and Goal(s)

Strategic Priority	Strategic Goal
STRENGTHEN NEIGHBORHOOD LIVABILITY	3.1 Value existing neighborhoods. 3.4 Support efficient development patterns and communicate clear policy guidance. 3.5 Ensure that the Comprehensive Plan is observed and followed.

Background Information
The subject property consists of approximately 14.87 acres located in Rockwall County, Texas, within the City of Rowlett's Extraterritorial Jurisdiction (ETJ). Theproperty owner, who is also the master developer, has expressed their intent to voluntarily annex the property into the City's corporate limits and develop the site as a single-family residential subdivision.

Pursuant to Chapter 212 of the Texas Local Government Code, municipalities may enter into development agreements with property owners located within the ETJ to

establish development standards, infrastructure obligations, utility service provisions, and other requirements that will govern future development of the property.

The proposed Development Agreement establishes the framework for development of the property and provides the basis for future annexation and zoning actions.

Discussion

The proposed development program is articulated below. The Development Program:

The subject property would consist of approximately 70 single-family residential lots on approximately 14.87 acres. Development standards are included within the Development Agreement and will serve as the basis for the Planned Development zoning district to be considered concurrent with annexation of the property.

Development Standards:

The Development Agreement establishes development standards for the property, including:

- Minimum lot size: 4,400 sq. ft.
- Minimum lot width: 40 feet

These standards are consistent with the adjacent Trails at Cottonwood Creek Phase E and compatible with the overall subdivision regulations. Furthermore, the development regulations mirror those of the Trails at Cottonwood Creek Development zoning district.

Public Infrastructure:

The Development Agreement establishes the developer's responsibility for the construction of public infrastructure necessary to serve the property, including streets, drainage facilities, utilities, sidewalks, and related improvements.

Water service will be provided by East Fork Special Utility District. Wastewater service will be provided by the City of Rowlett in accordance with the provisions of the Development Agreement and applicable utility agreements.

It should be taken into consideration that the subject property shares approximately 1,000 feet of frontage on Troy Road, a Rockwall County Road. However, the annexation regulations require this portion of Troy Road be dedicated to the City. Therefore, the maintenance requirement of this road will become the responsibility of the City. This will require an amendment to the Master Thoroughfare Plan post annexation to include this portion of roadway.

Furthermore, Troy Road is served with bar-ditch drainage. The developer will be required to maintain this drainage area and ensure there is no increase or impact to this portion of the roadway as it relates to drainage. The developer will be required to design the site to ensure water flows into a contained system to prevent an adverse impact on the road. This requirement will be memorialized in the Planned Development conditions.

Sewer Impact Fee Credits:

The Development Agreement includes provisions for sewer impact fee credits associated with previously constructed off-site wastewater infrastructure that benefits the property. The agreement provides for sewer impact fee credits of $1,189 per lot, not to exceed a total reimbursement amount of $96,390.

Voluntary Annexation:
As part of the Development Agreement, the property owner agrees to voluntarily annex the property into the City of Rowlett. Following annexation, the property will be subject to the City's municipal regulations and eligible to receive municipal services.

Future Zoning:
The Development Agreement establishes the development framework for the property. Following approval of the agreement, the City will consider annexation of the property and establishment of initial zoning through a Planned Development district. The Planned Development zoning district is intended to be consistent with the development standards established in the Development Agreement.

Financial/Budget Implications

The proposed development is anticipated to expand the City's tax base, increase utility customers, and support future residential growth within the community. The Development Agreement also establishes responsibilities related to infrastructure construction and utility service necessary to support future development of the property.

Recommended Action

Staff recommends approval of the proposed Development Agreement between the City of Rowlett and Trail Creek Partners, Ltd. The agreement establishes a framework for the orderly development of the property, provides certainty regarding future infrastructure and utility obligations, and facilitates the future annexation and development of the property.

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ROWLETT, TEXAS, APPROVING THE TERMS AND CONDITIONS OF THE DEVELOPMENT AGREEMENT BY AND BETWEEN THE CITY OF ROWLETT AND TRAIL CREEK PARTNERS, LTD. FOR DEVELOPMENT, AFTER ANY ANNEXATION, OF THE APPROXIMATELY 14.87 ACRE PROPERTY LOCATED AT 13805 TROY ROAD IN THE CITY'S EXTRATERRITORIAL JURISDICTION; AUTHORIZING THE INTERIM CITY MANAGER TO EXECUTE THE DEVELOPMENT AGREEMENT; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, Trail Creek Partners, Ltd., a Texas limited partnership

("Developer") owns and expects to develop approximately 14.87 acres of real property known commonly as 13805 Troy Road (the "Property") which is currently located in the City's extraterritorial jurisdiction ("ETJ") and not within the ETJ or corporate limit of any other municipality; and

WHEREAS, Developer intends to petition to voluntarily annex the Property into on the City's corporate limits; and

WHEREAS, Developer plans to begin development of the Property and desires for the proposed Development Agreement attached hereto as **Exhibit "A"** to serve as the regulating plan, general development plan, and preliminary plat for the property; and

WHEREAS, Developer further intends the Development Agreement to serve as an agreement pursuant to Section 212.172 of the Texas Local Government Code to establish certain legally binding restrictions and commitments to be imposed upon the development of the Property, which shall survive annexation of the Property; and

WHEREAS the Developer seeks approval by the City of this Agreement to develop the Property as a residential development, consisting of single-family residential units (the "Project") subject to the terms of this Agreement; and

WHEREAS, the Parties desire to set forth their agreement regarding their respective responsibilities relating to the Project; and

WHEREAS, the City Council of the City of Rowlett finds it to serve the health, safety and general welfare of the City and to be in the best interest of its citizens to approve the proposed Development Agreement with Trail Creek Partners, Ltd.;

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

SECTION 1. The City Council of the City of Rowlett hereby approves the terms and conditions of the Development Agreement between the City of Rowlett and Trail Creek Partners, Ltd., attached hereto and incorporated herein by this reference as **Exhibit "A."**

SECTION 2. The Interim City Manager is hereby authorized to execute the Development Agreement in substantially the form of that attached hereto as **Exhibit "A."**

SECTION 3. This resolution shall become effective immediately from and after its passage and publication of the caption as the law and charter in such cases provide.

Attachments

1. Exhibit A - Trail Creek Development Agreement
2. CityETJMap + 15 ac
3. Trails at Cottonwood Creek - Phase E & 15 Acres Layout
4. Trails at Cottonwood Creek PODS + 15 ac City

5. TWG001 - 15 AC TRACT Lot Layout

DEVELOPMENT AGREEMENT

This Development Agreement (this "Agreement") is entered into by and between the **CITY OF ROWLETT**, a home-rule municipality (the "City"), and **TRAIL CREEK PARTNERS, LTD.**, a Texas limited partnership, ("Developer"), to be effective on the Effective Date.

SECTION 1
RECITALS

WHEREAS, certain terms used in these recitals are defined in Section 2; and

WHEREAS, Developer and the City are sometimes collectively referenced in this Agreement as (the "Parties,") or each individually as ("Party"); and

WHEREAS, Developer owns and is expected to develop approximately 14.87 acres of real property described by metes and bounds in **Exhibit A** (the "Property"); and

WHEREAS, the Property is currently located in the City's extraterritorial jurisdiction ("ETJ") and is not located in any other City's ETJ or corporate limits; and

WHEREAS, the Developer, as owner of the Property, intends to petition to voluntarily annex the Property in the City's corporate limits;

WHEREAS, Developer desires to proceed with development of the Property as generally illustrated on the Site Plan in **Exhibit B**; and

WHEREAS, the Parties further intend that the Property be developed generally in accordance with this Agreement and the City Regulations; and

WHEREAS, Developer plans to begin development of the Property upon the execution of this Agreement, the Site Plan (Exhibit "B") shall serve as the regulating plan, general development plan and preliminary plat for the Property; and

WHEREAS, Developer desires and intends to design, construct and install and/or make financial contributions to certain Public Infrastructure to serve the Property; and

WHEREAS, the East Fork Special Utility District (the "East Fork SUD") holds the water certificate of convenience and necessity ("CCN") for the Property, and East Fork SUD will be the retail provider of water service to and for the Property; and

WHEREAS, the infrastructure to provide retail water service to the Property (the "Water Infrastructure") shall be dedicated to and owned by East Fork SUD; and

WHEREAS, the Property is not located in the boundaries of any sewer certificate of convenience and necessity and the Parties intend and desire for the City to be the retail provider of sanitary sewer service to and for the entire Property and, upon annexation into the City, the City shall have right to serve the Property; and

WHEREAS, the Developer has constructed certain off-site public infrastructure necessary to provide adequate sanitary sewer service to the Property (the "Off-Site Improvements"), as more particularly described in the Facilities Agreement for Utility Infrastructure (the "Facilities Agreement") between the City and Warner Land Advisors, L.P., as such Facilities Agreement was assigned to and assumed by the Developer; and

WHEREAS, Developer understands and acknowledges that the obligations undertaken under this Agreement are primarily for the benefit of the Property; and

WHEREAS, this Agreement is entered into pursuant to Section 212.172 of the Texas Local Government Code and it is the intent of this Agreement to establish certain legally binding restrictions and commitments to be imposed upon the development of the Property, which shall survive annexation of the Property; and

WHEREAS, this Agreement shall constitute a "permit" under Chapter 245 of the Texas Local Government Code and as allowed pursuant to Section 212.172(g) of the Texas Local Government Code and that all prerequisites for entering into such agreement have been completed in full and that the City has provided the Developer with the written disclosures required when offering this Agreement under Section 212.171(b-1), said section being incorporated herein as if set forth in full;

WHEREAS, unless expressly set forth to the contrary in this Agreement, the Parties intend this Agreement to supersede City Regulations only to the extent that City Regulations directly conflict with the terms of this Agreement; and

NOW, THEREFORE, in consideration of the mutual covenants contained herein, the Parties hereby agree as follows:

SECTION 2
DEFINITIONS

Certain terms used in this Agreement are defined in this Section 2. Other terms used in this Agreement are defined in the recitals or in other sections of this Agreement. Unless the context requires otherwise, the following terms shall have the meanings hereinafter set forth:

City Code means the Code of Ordinances, City of Rowlett, Texas.

City Council means the governing body of the City.

City Manager means the current, interim, or acting City Manager of the City of Rowlett or a person designated to act on behalf of that individual.

City Regulations means the City's applicable development regulations in effect on the Effective Date, including without limitation City Code provisions, ordinances (including, without limitation, park dedication fees), design standards (including, without limitation, pavement thickness), and other policies duly adopted by the City.

Developer means Trail Creek Partners, Ltd. or its successor or authorized assignee.

Development Standards means the design specifications and construction standards permitted or imposed by this Agreement, including its **Exhibit C,** and applicable City Regulations.

East Fork SUD means the East Fork Special Utility District.

Effective Date means the effective date of this Agreement, which shall be the last date upon which all parties have fully executed this Agreement.

End User means any tenant, user, or owner of a Fully Developed and Improved Lot, but excluding the HOA.

Facilities Agreement means the Facilities Agreement for Utility Infrastructure between the City and Warner Land Advisors, L.P., which was assigned to and assumed by the Developer.

Fully Developed and Improved Lot means any privately-owned lot in the Property, regardless of proposed use, intended to be served by the Public Infrastructure and for which a final plat has been approved by the City and recorded in the Real Property Records of Dallas County.

HOA means the Trail Creek Owners Association, Inc and its successors or any home owners association established for the development to be located on the Property as shown on the Site Plan.

Impact Fees means those fees assessed and charged by the City in accordance with Chapter 395.

Mayor means the Mayor of the City of Rowlett.

Notice means any notice required or contemplated by this Agreement (or otherwise given in connection with this Agreement).

Off-Site Improvements means that certain off-site public infrastructure previously constructed by Developer to provide sanitary sewer services to the Property as more particularly described in the Facilities Agreement.

Public Infrastructure means all water, wastewater/sewer, drainage, roadway and other infrastructure necessary to serve the full development of the Property and/or to be constructed and dedicated to the City or East Fork SUD, as applicable, under this Agreement.

Real Property Records of Rockwall County means the official land recordings of the Rockwall County Clerk's Office.

Site Plan means the intended plan for the development of the Property as depicted on **Exhibit B**.

Water Infrastructure shall have the meaning given to it in the Recitals hereto.

SECTION 3
PUBLIC INFRASTRUCTURE

3.1 Public Infrastructure, Generally. Except as otherwise expressly provided for in this Agreement, Developer shall provide all Public Infrastructure necessary to serve the Property, including streets, utilities, drainage, sidewalks, trails, street lighting, street signage, and all other required improvements, at no cost to the City except as expressly provided in this Agreement, and as approved by the City's engineer or his or her agent. Developer shall cause the installation of the Public Infrastructure necessary to serve the Property prior to or substantially concurrent with the recordation of the final plat covering the Property and within all applicable time frames in accordance with the City Regulations, unless otherwise established in this Agreement. Developer shall provide engineering studies, plan/profile sheets, and other construction documents at the time of platting as required by City Regulations. The final plat shall not be approved until such plans have been approved by the City's engineer or his or her agent. Construction of any portion of the Public Infrastructure to be conveyed to the City shall not be initiated until a pre-construction conference with a City representative has been held regarding the proposed construction and the City has issued a permit to proceed. No final plat may be recorded in the Real Property Records of Rockwall County until construction of all Public Infrastructure to be conveyed to the City shown thereon shall have been constructed, and thereafter inspected, approved, and accepted by the City; provided that the City shall allow recording of any final plat in the Real Property Records of Rockwall County if the Developer escrows sufficient funds, as determined by the City, or otherwise provides evidence of fiscal security or surety satisfactory to the City for any outstanding obligations required by the City pursuant its approval of the preliminary plat for such area.

3.2 Construction, Ownership, and Transfer of Public Infrastructure.

(a) Construction Standards, Inspections and Fees. Except as otherwise expressly set forth in this Agreement and the Facilities Agreement, the Public Infrastructure required for the development of the Property shall be constructed and inspected, and all applicable fees, including but not limited to permit fees and inspection fees, shall be paid by Developer, in accordance with this Agreement, the City Regulations, to the extent applicable, and the regulations of any other governing body or entity with jurisdiction over the Public Infrastructure.

The Developer shall convey to East Fork SUD all of the Water Infrastructure to be owned by East Fork SUD and needed to provide water service to the property. Developer agrees to take any action reasonably required by East Fork SUD to transfer, convey, or otherwise dedicate or ensure the dedication of land, right-of-way, or easements for the Water Infrastructure to East Fork SUD and the public.

3.3 Inspections, Acceptance of Public Infrastructure, and Developer's Remedy.

(a) Inspections, Generally. The City shall have the right to inspect, at any time, the construction of all Public Infrastructure necessary to support the Property to be accepted by the City. The City's inspections and/or approvals shall not release Developer from its responsibility to construct, or cause the construction of, adequate Public Infrastructure in accordance with City Regulations, approved engineering plans, construction plans, and other approved plans related to development of the Property. Notwithstanding any provision of this

Agreement, it shall not be a breach or violation of the Agreement if the City withholds building permits to any portion of the Property until Developer has met its obligations to provide for required Public Infrastructure necessary to serve such portion according to the approved engineering plans and City Regulations and until such Public Infrastructure has been dedicated to and accepted by the City or East Fork SUD, as applicable. Acceptance by the City shall not be unreasonably withheld, conditioned, or delayed. Nothing in this Agreement shall be construed as an approval or the granting of any permit required by City Regulations or applicable law.

3.4 Ownership, Operation and Maintenance. Upon inspection, approval, and acceptance of the Public Infrastructure to be dedicated to the City and any other dedications required under this Agreement, such improvements and dedications shall be owned by the City. From and after the inspection and acceptance by East Fork SUD of the Public Infrastructure to be dedicated to East Fork SUD and any other dedications required under this Agreement, such improvements and dedications shall be owned by East Fork SUD. The Developer shall cause East Fork SUD to include City sewer fees in customer billing, to include termination of water service in the event of nonpayment of sewer service fees. East Fork SUD shall have the sole right and responsibility for operating and maintaining the Water Improvements, unless the certificate of convenience and necessity for water service is subsequently transferred to the City or East Fork SUD conveys to, or the City otherwise assumes, responsibility for providing water utility service.

3.5 Insurance. Developer or its contractor(s) shall acquire and maintain, during the period of time when any of the Public Infrastructure is under construction (and until the full and final completion of the Public Infrastructure and acceptance thereof by the City): (a) workers compensation insurance in the amount required by law; and (b) commercial general liability insurance including personal injury liability, premises operations liability, and contractual liability, covering, but not limited to, the liability assumed under any indemnification provisions of this Agreement, with limits of liability for bodily injury, death and property damage of not less than $5,000,000.00. Such insurance shall also cover any and all claims which might arise out of the Public Infrastructure construction contracts, whether by Developer, a contractor, subcontractor, material man, or otherwise. Coverage must be on a "per occurrence" basis. All such insurance shall: (i) be issued by a carrier which is rated "A-1" or better by A.M. Best's Key Rating Guide and licensed to do business in the State of Texas; and (ii) name the City as an additional insured and contain a waiver of subrogation endorsement in favor of the City. Upon the execution of Public Infrastructure construction contracts, Developer shall provide to the City certificates of insurance evidencing such insurance coverage together with the declaration of such policies, along with the endorsement naming the City as an additional insured. Each such policy shall provide that, at least 30 days prior to the cancellation, non-renewal or modification of the same, the City shall receive written notice of such cancellation, non-renewal or modification.

3.6 Roadway Facilities and Related Improvements. Developer is responsible for the design, installation, and construction of all roadway facilities and related improvements, including drainage infrastructure, required to serve the Property in accordance with the City Regulations. The design of all roadway facilities and related improvements shall be approved by the City in advance of the construction of same. The Developer shall not be required to conduct a traffic impact analysis or make improvements to Troy Road.

3.7 Water Facilities. Developer is responsible for design, installation, and construction of all water improvements necessary to serve the Property. Developer shall obtain approval of design of water improvements from East Fork SUD. Developer shall be responsible for the acquisition of any easements and other property acquisitions necessary for water facilities for all development upon and within the Property.

3.8 Wastewater/Sanitary Sewer Facilities. Except as otherwise provided herein, Developer is responsible for the design, installation, and construction of all wastewater/sanitary sewer improvements necessary to serve the Property. The design of all wastewater/sanitary sewer improvements shall be approved by the City in advance of the construction of same.

3.9 Wastewater/Sanitary Sewer Services.

(a) The City represents and confirms that it currently has and reasonably expects to continue to have the capacity to provide to the Property continuous and adequate retail wastewater/sanitary sewer service at times and in amounts sufficient to meet the service demands of the Property.

(b) Upon acceptance by the City of the wastewater/sanitary sewer facilities described herein, the City shall operate or cause to be operated said wastewater/sanitary sewer facilities serving the Development and the Property and use them to provide service to all customers within the Development at the same rates as similar projects located within the City and the Property and as otherwise required by State law as the holder of the certificate of convenience and necessity covering the Property. Upon acceptance by the City, the City shall at all times maintain said wastewater/sanitary sewer facilities, or cause the same to be maintained, in compliance with all applicable laws and ordinances and all applicable regulations, rules, policies, standards, and orders of any governmental entity with jurisdiction over same.

(c) The City agrees to take all necessary steps to include the Property within the boundaries of the City's sewer service area.

SECTION 4
PAYMENT AND REIMBURSEMENT OF OFF-SITE IMPROVEMENTS

4.1 Credit or Reimbursement of Impact Fees for Off-Site Improvements completed by affiliate of Developer. The City shall provide a credit or reimbursement for sewer Impact Fees.

4.2 Sewer Impact Fees Credits and Reimbursements. The City shall provide Developer with a credit against or reimbursement (the "Impact Fee Credit") of sewer Impact Fees in the amount of $1,189 per lot (the "Impact Fee Credit Amount"). The Impact Fee Credit shall be given only if and when the fee per lot is otherwise due. Should Impact Fees be paid by third parties other than the Developer, Impact Fees shall be due and payable in accordance with City Regulations; however, the City shall reimburse Developer on a quarterly basis in an amount equal to the Impact Fee Credit Amount times the number of lots for which sewer Impact Fees were received during each quarter until the earlier of: 1) the issuance of a building permit for the last single family residential lot on the Property to be developed, or 2) the total sum of $96,390 has been collectively credited and/or reimbursed to Developer. The Developer shall submit invoices at least quarterly to the City to receive reimbursement from the Impact Fee Credits and the City shall reimburse

Developer from sewer Impact Fees received in the prior quarter within thirty days following the end of each calendar quarter following that in which Developer has submitted invoices. Credits or reimbursements shall come solely from Impact Fees and waivers thereof and shall not be payable or creditable from any other source of City funds. Except for an assignee contemplated by Section 4.3 of this Agreement, no credits shall be allowed to and no reimbursements from sewer Impact Fees for the Project shall be paid to anyone other than Developer.

4.3 Allocation of Credits. All Impact Fee Credits inuring to the Property belong to Developer and may not be allocated to any other party without Developer's prior written consent in the form of an assignment specifying the assignee and the categories and amounts of Impact Fee Credits assigned. The Developer shall deliver a copy of any such assignment to the City within ten (10) days of its effective date and Developer shall not make any claim to or have any entitlement to any such Impact Fee Credits once assigned.

4.4 Payee Information. With respect to any and every type of payment/remittance due to be paid at any time by the City to Developer after the Effective Date under this Agreement, the name and delivery address of the payee for such payment shall be:

Trail Creek Partners, Ltd.
4040 North Central Expressway, Suite 850
Dallas, Texas 75204

Developer may change the name of the payee and/or address set forth above by delivering written notice to the City designating a new payee and/or address or through an assignment of Developer's rights hereunder.

SECTION 5
ANNEXATION AND POST ANNEXATION MATTERS

5.1 Annexation. Developer will submit a voluntary irrevocable petition for annexation of the Property to the City in compliance with Chapter 43, Texas Local Government Code, or other applicable law, as amended in sufficient time for annexation to occur on the later of (i) acceptance of the Public Infrastructure and (ii) filing of the final plat. Developer agrees to execute and supply any and all instruments and/or other documentation necessary for the City to annex the Property into the City's corporate limits. If the City is unable to complete the annexation of the Property for any reason, including but not limited to procedural error or legal challenge, Developer shall execute another voluntary annexation petition for the Property within ten (10) days of being requested to do so.

5.2 Zoning of Property. While the Parties expressly acknowledge that the Property will be voluntarily annexed in accordance with Section 5.1 of this Agreement, the Parties agree that the Development Standards and the applicable provisions of this Agreement memorialize the plan for development of the Property as provided for in Section 212.172 of the Texas Local Government Code and other applicable law. The City shall consider zoning the Property consistent with the Development Standards and applicable provisions of this Agreement contemporaneously with the annexation of the Property. Through this Agreement, the Developer expressly consents and agrees to the zoning of the Property to the extent the Property is in the City's corporate limits and solely

if such zoning is consistent with the Development Standards and as contemplated by this section. After the zoning has been approved for the Property, no amendment to the zoning shall require an amendment to this Agreement.

Should the City Council fail—within 90 days after submittal of a zoning application by the Developer—to approve the zoning on the Property in accordance with this Agreement and the Development Standards, or should the City approve zoning on the Property that is in any way more restrictive than the Development Standards without the Developer's consent, then the Developer shall have the right to disannex the Property from the corporate limits of the City by providing a petition for disannexation. Within 30 days following delivery of such petition (or at the next City Council meeting after such 30 day period), the City shall disannex the Property from the City's corporate limits.

5.3 Agreement for Services. Pursuant to Section 43.0672, Texas Local Government Code, this Agreement shall constitute an agreement for the provision of services to the Property and, except as expressly provided otherwise herein, the City shall, immediately upon the effective date of any annexation, provide the Property with all those municipal services currently offered within the City, including those which may be offered in the future, without discrimination. The Developer is not required to enter into this Agreement and does so in reliance upon the representations and covenants of the City herein. The annexation procedures described in plain language in this Agreement require the Developer's consent. The Parties acknowledge and agree that—prior to the Effective Date—the City fully satisfied the written disclosure requirements under Section 212.172(b-1) of the Texas Local Government Code.

SECTION 6
ADDITIONAL OBLIGATIONS AND AGREEMENTS

6.1 Submission of General Development Plan, Regulating Plan; Tree Removal Permit & Preliminary Plat. Notwithstanding any provision of the City Regulations, no general development plan, regulating plan or tree removal permit will be required for the Property. The Site Plan depicted on Exhibit B shall serve as the Preliminary Plat, and upon approval of this Agreement be deemed approved by the City.

6.2 Conflicts. When not in conflict with the terms and conditions of this Agreement, the development of the Property shall be subject to all applicable City Regulations, including but not limited to the City's subdivision and zoning regulations and engineering design standards. In the event of any direct conflict between this Agreement and any other ordinance, rule, regulation, standard, policy, order, guideline, or other City adopted or City enforced requirement, this Agreement, including its exhibits, as applicable, shall control.

(a) Approval of Plats/Plans. Approval by the City, the City's engineer, or other City employee or representative, of any plans, designs, or specifications submitted by Developer pursuant to this Agreement or pursuant to applicable City Regulations shall not constitute or be deemed to be a release of the responsibility and liability of Developer, his engineer, employees, officers, or agents for the accuracy and competency of their design and specifications. Further, any such approvals shall not be deemed to be an assumption of such responsibility and liability by the City for any defect in the design and specifications prepared by Developer or Developer's

engineer, or engineer's officers, agents, servants or employees, it being the intent of the parties that approval by the City's engineer signifies the City's approval on only the general design concept of the improvements to be constructed.

6.3 INDEMNIFICATION and HOLD HARMLESS. THE DEVELOPER, INCLUDING ITS RESPECTIVE SUCCESSORS AND ASSIGNS, HEREBY COVENANT AND AGREE TO RELEASE, DEFEND, HOLD HARMLESS, AND INDEMNIFY THE CITY AND ITS CURRENT, FORMER, AND FUTURE ELECTED AND APPOINTED OFFICIALS, OFFICERS, AGENTS, REPRESENTATIVES, SERVANTS AND EMPLOYEES (COLLECTIVELY, THE "RELEASED PARTIES"), FROM AND AGAINST ALL THIRD-PARTY CLAIMS, LIABILITIES, SUITS, JUDGMENTS, DAMAGES, AND DEMANDS (TOGETHER, "CLAIMS") AGAINST THE CITY OR ANY OF THE RELEASED PARTIES, WHETHER REAL OR ASSERTED INCLUDING WITHOUT LIMITATION REASONABLE ATTORNEY'S FEES, RELATED EXPENSES, EXPERT WITNESS FEES, CONSULTANT FEES, AND OTHER COSTS ACTUALLY INCURRED, ARISING OUT OF THE NEGLIGENCE OR OTHER WRONGFUL CONDUCT OF THE DEVELOPER, INCLUDING THE NEGLIGENCE OF ITS RESPECTIVE EMPLOYEES, CONTRACTORS, SUBCONTRACTORS, MATERIAL MEN, AND/OR AGENTS, IN CONNECTION WITH THE DESIGN OR CONSTRUCTION OF ANY PUBLIC INFRASTRUCTURE, STRUCTURES, OR OTHER FACILITIES OR IMPROVEMENTS THAT ARE REQUIRED OR PERMITTED UNDER THIS AGREEMENT AND/OR CITY REGULATIONS AND/OR ANY APPLICABLE DEVELOPMENT STANDARDS AND/OR ANY OTHER GOVERNING REGULATIONS. **THE DEVELOPER SHALL NOT, HOWEVER, BE REQUIRED TO INDEMNIFY THE CITY AGAINST CLAIMS CAUSED BY THE CITY'S SOLE NEGLIGENCE.** IF THE CITY INCURS CLAIMS THAT ARE CAUSED BY THE CONCURRENT NEGLIGENCE OF THE DEVELOPER AND THE CITY, THE DEVELOPER'S INDEMNITY OBLIGATION WILL BE LIMITED TO A FRACTION OF THE TOTAL CLAIMS EQUIVALENT TO THE DEVELOPER'S OWN PERCENTAGE OF RESPONSIBILITY. THE DEVELOPER, INCLUDING ITS RESPECTIVE SUCCESSORS AND ASSIGNS, FURTHER COVENANTS AND AGREES TO RELEASE, DEFEND, HOLD HARMLESS, AND INDEMNIFY, THE CITY AGAINST ANY AND ALL CLAIMS BY ANY PERSON CURRENTLY CLAIMING AN OWNERSHIP INTEREST IN THE PROPERTY WHO HAS NOT SIGNED THIS AGREEMENT IF SUCH CLAIMS RELATE IN ANY MANNER OR ARISE IN CONNECTION WITH: (1) THE CITY'S RELIANCE UPON THE DEVELOPER'S REPRESENTATIONS IN THIS AGREEMENT; (2) THIS AGREEMENT OR OWNERSHIP OF THE PROPERTY; OR (3) THE CITY'S APPROVAL OF ANY TYPE OF DEVELOPMENT APPLICATION OR SUBMISSION WITH RESPECT TO THE PROPERTY.

6.4 Status of Parties. At no time shall the City have any control over or charge of Developer's design, construction or installation of any of the Public Infrastructure, nor the means, methods, techniques, sequences or procedures utilized for said design, construction or installation, if in compliance with City Regulations. This Agreement does not create a joint enterprise or venture or employment relationship between the City and Developer.

6.5 Vested Rights. This Agreement shall constitute a "permit" (as defined in Chapters 212 and 245, Texas Local Government Code) that is deemed filed with the City on the Effective Date.

6.6 Determination of Rough Proportionality. Assuming no defaults under this agreement, the Developer hereby agrees and acknowledges, without waiving claims related solely to exactions not contemplated by this agreement, that: (a) any public infrastructure that it conveys to the City or acquires for the City pursuant to this Agreement is roughly proportional to the benefit received by the owner for such public infrastructure, and the Developer hereby waives any claim therefor that it may have; and (b) all prerequisites to such determination of rough proportionality have been met, and any value received by the City relative to said conveyance is related both in nature and extent to the impact of the development of the property on the City's infrastructure.

SECTION 7
EVENTS OF DEFAULT; REMEDIES

7.1 Events of Default. No Party shall be in default under this Agreement until notice of the alleged failure of such Party to perform has been given in writing (which notice shall set forth in reasonable detail the nature of the alleged failure) and until such Party has been given a reasonable time to cure the alleged failure (such reasonable time to be determined based on the nature of the alleged failure, but in no event more than thirty (30) days (or any longer time period to the extent expressly stated in this Agreement as relates to a specific failure to perform) after written notice of the alleged failure has been given. Notwithstanding the foregoing, no Party shall be in default under this Agreement if, within the applicable cure period, the Party to whom the notice was given begins performance and thereafter diligently and continuously pursues performance until the alleged failure has been cured. Notwithstanding the foregoing, however, a Party shall be in default of its obligation to make any payment required under this Agreement if such payment is not made within twenty (20) business days after it is due.

7.2 Remedies. As compensation for the other party's default, an aggrieved Party is limited to seeking, as its sole and exclusive remedy, specific performance of the other party's obligations under this Agreement.

SECTION 8
ASSIGNMENT; ENCUMBRANCE

8.1 Assignment. This Agreement shall be binding upon and inure to the benefit of the successors and assigns of the parties hereto. The obligations, requirements, or covenants to develop the Property subject to this Agreement shall be freely assignable, in whole or in part, to any affiliate or related entity of Developer, or any lien holder on the Property, without the prior written consent of the City. Except as otherwise provided in this paragraph, the obligations, requirements or covenants to the development of the Property shall not be assigned, in whole or in part, by Developer to a non-affiliate or non-related entity of Developer without the prior written consent of the City Manager, subject to the advice and consent of the Mayor, which consent shall not be unreasonably withheld or delayed. An assignee shall be considered a "Party" for the purposes of this Agreement. Each assignment shall be in writing executed by Developer and the assignee and shall obligate the assignee to be bound by this Agreement to the extent this Agreement applies or relates to the obligations, rights, title, or interests being assigned. No assignment by Developer shall release Developer from any liability that resulted from an act or omission by Developer that occurred prior to the effective date of the assignment unless the City approves the release in writing. Developer shall maintain written records of all assignments made by Developer

to assignees, including a copy of each executed assignment and, upon written request from any Party or assignee, shall provide a copy of such records to the requesting person or entity, and this obligation shall survive the assigning Party's sale, assignment, transfer, or other conveyance of any interest in this Agreement or the Property.

8.2 Assignees as Parties. An assignee authorized in accordance with this Agreement and for which notice of assignment has been provided in accordance herewith shall be considered a "Party" for the purposes of this Agreement. With the exception of: (a) the City, (b) an End User, (c) a purchaser of a Fully Developed and Improved Lot, any person or entity upon becoming an owner of any part of the Property shall be deemed to be a "Developer" and have all of the rights and obligations of Developer as set forth in this Agreement and all related documents to the extent of said ownership or ownership interest.

8.3 Third Party Beneficiaries. Except as otherwise provided herein, this Agreement inures to the benefit of, and may only be enforced by, the Parties and their permitted assigns. No other person or entity shall have any right, title, or interest under this Agreement or otherwise be deemed to be a third-party beneficiary of this Agreement.

8.4 Notice of Assignment. Subject to Section 8.2 of this Agreement, the following requirements shall apply in the event that Developer sells, assigns, transfers, or otherwise conveys the Property or any part thereof and/or any of its rights or benefits under this Agreement: (i) Developer must provide written notice to the City to the extent required under Section 8.1 at least fifteen (15) business days in advance of any such sale, assignment, transfer, or other conveyance; (ii) said notice must describe the extent to which any rights or benefits under this Agreement will be sold, assigned, transferred, or otherwise conveyed; (iii) said notice must state the name, mailing address, telephone contact information, and, if known, email address, of the person(s) that will acquire any rights or benefits as a result of any such sale, assignment, transfer or other conveyance; and (iv) said notice must be signed by a duly authorized person representing Developer and a duly authorized representative of the person that will acquire any rights or benefits as a result of the sale, assignment, transfer or other conveyance.

SECTION 9
RECORDATION AND ESTOPPEL CERTIFICATES

9.1 Binding Obligations. This Agreement and all amendments thereto and assignments hereof shall be recorded in the Real Property Records of Dallas County. This Agreement binds and constitutes a covenant running with the Property and, upon the Effective Date, is binding upon Developer and the City, and forms a part of any other requirements for development within the Property. This Agreement, when recorded, shall be binding upon the Parties and their successors and assigns as permitted by this Agreement and upon the Property.

9.2 Estoppel Certificates. From time to time, upon written request of Developer or any future owner, the City Manager, or his/her designee will, in his/her official capacity and to his/her reasonable knowledge and belief, execute a written estoppel certificate identifying any obligations of an owner under this Agreement that are in default or making an affirmative statement that the Developer is not in default under this Agreement.

SECTION 10
GENERAL PROVISIONS

10.1 Term. The term of this Agreement shall be thirty (30) years after the Effective Date unless extended by mutual written agreement of the Parties.

10.2 Recitals. The recitals contained in this Agreement: (a) are true and correct as of the Effective Date; (b) form the basis upon which the Parties negotiated and entered into this Agreement; and (c) reflect the final intent of the Parties with regard to the subject matter of this Agreement. In the event it becomes necessary to interpret any provision of this Agreement, the intent of the Parties, as evidenced by the recitals, shall be taken into consideration and, to the maximum extent possible, given full effect. The Parties have relied upon the recitals as part of the consideration for entering into this Agreement and, but for the intent of the Parties reflected by the recitals, would not have entered into this Agreement.

10.3 Notices. Any notice, submittal, payment or instrument required or permitted by this Agreement to be given or delivered to any party shall be deemed to have been received (i) if delivered via a method other than e-mail, when delivered personally or upon the expiration of 72 hours following deposit of the same in any United States Post Office, registered or certified mail, postage prepaid or (ii) if delivered via e-mail, upon the earlier of receipt of a "delivery receipt" or on the next Business Day after being sent (as recorded on the device from which the sender sent the e-mail) unless the sender receives an automated message that the email has not been delivered. Any such notice shall be addressed as follows:

To the City:	City of Rowlett, Texas 4000 Main Street Rowlett, TX 75088 Attn: City Manager
With a copy to:	Nichols, Jackson, Dillard, Hager & Smith, L.L.P. Attn: Victoria Thomas 1800 Ross Tower 500 N. Akard St. Dallas, TX 75201 e-mail: vthomas@njdhs.com
To Developer:	Trail Creek Partners, Ltd Attn: Stephen Sallman 4040 N Central Expressway, Suite 850 Dallas, Texas 75204 e-mail: ssallman@warnergroup.com

With a copy to:	Trail Creek Partners, Ltd Attn: Preston Walhood 4040 N Central Expressway, Suite 850 Dallas, Texas 75204 e-mail: pwalhood@warnergroup.com
With a copy to:	Greenberg Traurig, LLP Attn: Drew Slone 2200 Ross Avenue, Suite 5200 Dallas, Texas 75201 e-mail: drew.slone@gtlaw.com

Any party may change its address or addresses for delivery of notice by delivering written notice of such change of address to the other party.

10.4 Interpretation. The Parties acknowledge that each has been actively involved in negotiating this Agreement. Accordingly, the rule of construction that any ambiguities are to be resolved against the drafting Party will not apply to interpreting this Agreement. In the event of any dispute over the meaning or application of any provision of this Agreement, the provision will be interpreted fairly and reasonably and neither more strongly for nor against any Party, regardless of which Party originally drafted the provision.

10.5 Time. In this Agreement, time is of the essence and compliance with the times for performance herein is required.

10.6 Authority and Enforceability. The City represents and warrants that this Agreement has been approved by official action by the City Council of the City in accordance with all applicable public notice requirements (including, but not limited to, notices required by the Texas Open Meetings Act) and that the individual executing this Agreement on behalf of the City has been duly authorized to do so. The Developer represents and warrants that this Agreement has been approved by appropriate action of Developer, and that each individual executing this Agreement on behalf of Developer has been duly authorized to do so. Each Party respectively acknowledges and agrees that this Agreement is binding upon such Party and is enforceable against such Party, in accordance with its terms and conditions.

10.7 Severability. This Agreement shall not be modified or amended except in writing signed by the Parties. If any provision of this Agreement is determined by a court of competent jurisdiction to be unenforceable for any reason, then: (a) such unenforceable provision shall be deleted from this Agreement; (b) the unenforceable provision shall, to the extent possible and upon mutual agreement of the parties, be rewritten to be enforceable and to give effect to the intent of the Parties; and (c) the remainder of this Agreement shall remain in full force and effect and shall be interpreted to give effect to the intent of the Parties.

10.8 Applicable Law; Venue. This Agreement is entered into pursuant to, and is to be construed and enforced in accordance with, the laws of the State of Texas, and all obligations of

the Parties are performable in Dallas County. Exclusive venue for any action related to, arising out of, or brought in connection with this Agreement shall be in the Dallas County District Court.

10.9 Non Waiver. Any failure by a Party to insist upon strict performance by the other Party of any material provision of this Agreement shall not be deemed a waiver thereof, and the Party shall have the right at any time thereafter to insist upon strict performance of any and all provisions of this Agreement. No provision of this Agreement may be waived except by writing signed by the Party waiving such provision. Any waiver shall be limited to the specific purposes for which it is given. No waiver by any Party of any term or condition of this Agreement shall be deemed or construed to be a waiver of any other term or condition or subsequent waiver of the same term or condition.

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

10.11 Exhibits. The following exhibits are attached to this Agreement and are incorporated herein for all purposes:

Exhibit A	Metes and Bounds Description of the Property
Exhibit B	Site Plan
Exhibit C	Development Standards

10.12 Force Majeure. Each Party shall use good faith, due diligence and reasonable care in the performance of its respective obligations under this Agreement, and time shall be of the essence in such performance; however, in the event a Party is unable, due to force majeure, to perform its obligations under this Agreement, then the obligations affected by the force majeure shall be temporarily suspended. Within ten (10) business days after the occurrence of a force majeure, the Party claiming the right to temporarily suspend its performance, shall give Notice to all the Parties, including an explanation of the force majeure and a description of the action that will be taken to remedy the force majeure and resume full performance at the earliest possible time. The term "force majeure" shall include events or circumstances that are not within the reasonable control of the Party whose performance is suspended and that could not have been avoided by such Party with the good faith exercise of good faith, due diligence and reasonable care.

10.13 Complete Agreement. This Agreement embodies the entire Agreement between the Parties and cannot be varied or terminated except as set forth in this Agreement, or by written agreement of the City and Developer expressly amending the terms of this Agreement.

10.14 Consideration. This Agreement is executed by the Parties hereto without coercion or duress and for substantial consideration, the sufficiency of which is hereby acknowledged.

[SIGNATURES PAGES AND EXHIBITS FOLLOW;
REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK]

EXECUTED BY THE PARTIES TO BE EFFECTIVE ON THE EFFECTIVE DATE:

CITY OF ROWLETT, TEXAS

By:_____
Name: _____
Title: Mayor
Date: _____

STATE OF TEXAS §
§
COUNTY OF DALLAS §

This instrument was acknowledged before me on this _____, 2026, by _____, Mayor of the City of Rowlett, Texas, on behalf of said City.

_____
Notary Public in and for the State of Texas

[SEAL]

DEVELOPER:

TRAIL CREEK PARTNERS, LTD,
a Texas limited partnership

By: Trail Creek Advisors, LLC,
a Texas limited liability corporation
Its: General Partner

By:_____
Stephen Sallman,
Manager

THE STATE OF TEXAS §
§
COUNTY OF _____ §

This instrument was acknowledged before me on this _____, 2026, by Stephen Sallman, Manager of Trail Creek Advisors, LLC, a Texas limited liability company, on behalf of said limited liability company.

_____
Notary Public in and for the State of Texas

[SEAL]

Exhibit A
Metes and Bounds Description of the Property

3805 Troy Road

Being a tract of land situated in the Madison Price Survey, Abstract Number 257, Rockwall County, Texas, same being that tract of land conveyed to Markham F. Stopp and Joellyn A. Stopp, by deed recorded in Volume 1182, Page 189, Deed Records, Rockwall County, Texas and being more particularly described by metes and bounds as follows:

BEGINNING at a 5/8 inch iron rod found for corner, said corner being along the Northwest corner of Troy Road (public right-of-way) and being the East corner of that tract of land conveyed to James Gary Balckwell and Carie C. Blackwell, by deed recorded in Volume 2659, Page 111, Deed Records, Rockwall County, Texas;

THENCE North 44 degrees 18 minutes 07 seconds West, along the Northeast line of said Blackwell tract, a distance of 940.00 feet to a 5/8 inch iron rod found for corner, said corner being the North corner of said Blackwell tract and being along the Southeast line of that tract of land conveyed to Freedom Quest, LLC, by deed recorded in Instrument Number 20140000001315, Official Public Records, Rockwall County, Texas;

THENCE North 45 degrees 39 minutes 47 seconds East, along the Southeast line of said Freedom Quest tract, a distance of 690.88 feet to a point for corner, said corner being the West corner of that tract of land conveyed to Sheri Tate, an unmarried woman, by deed recorded in Instrument Number 2008-00397967, Official Public Records, Rockwall County, Texas, from which a 5/8 inch iron rod bears South 46 degrees 54 minutes 46 seconds East, a distance of 0.66 feet for witness;

THENCE South 44 degrees 00 minutes 00 seconds East, along the Southwest line of said Tate tract, a distance of 942.52 feet to a 1/2 inch iron rod found for corner, said corner being the South corner of said Tate tract and being along the Northwest line of said Troy Road;

THENCE South 45 degrees 52 minutes 20 seconds West, along the Northwest line of said Troy Road, a distance of 685.92 feet to the POINT OF BEGINNING and containing 647.961 square feet or 14.87 acres of land.

Exhibit B
Site Plan

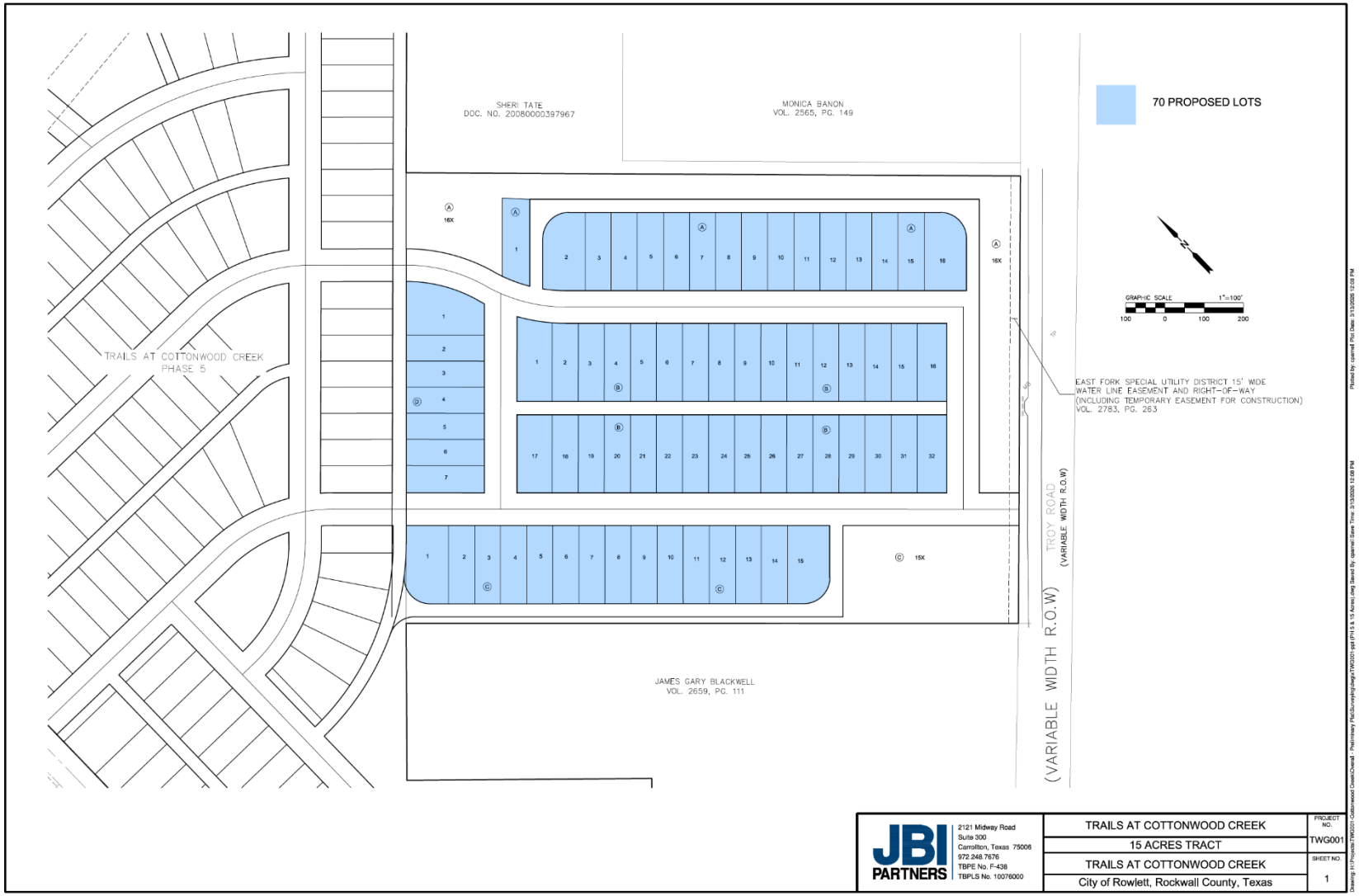


Exhibit C
Development Standards

The Property shall have Base zoning SF-5, as modified below:

- Minimum lot square feet: 4,400
- Minimum lot width: 40' feet
- Front yard setback: 20' feet
- Rear yard setback: 20' feet
- Minimum side yard setback: 5'-ft from all exterior and interior lot lines for all buildings other than dwellings

4900-0792-0310, v. 1

City of Rowlett
Extraterritorial Jurisdiction Boundary

N

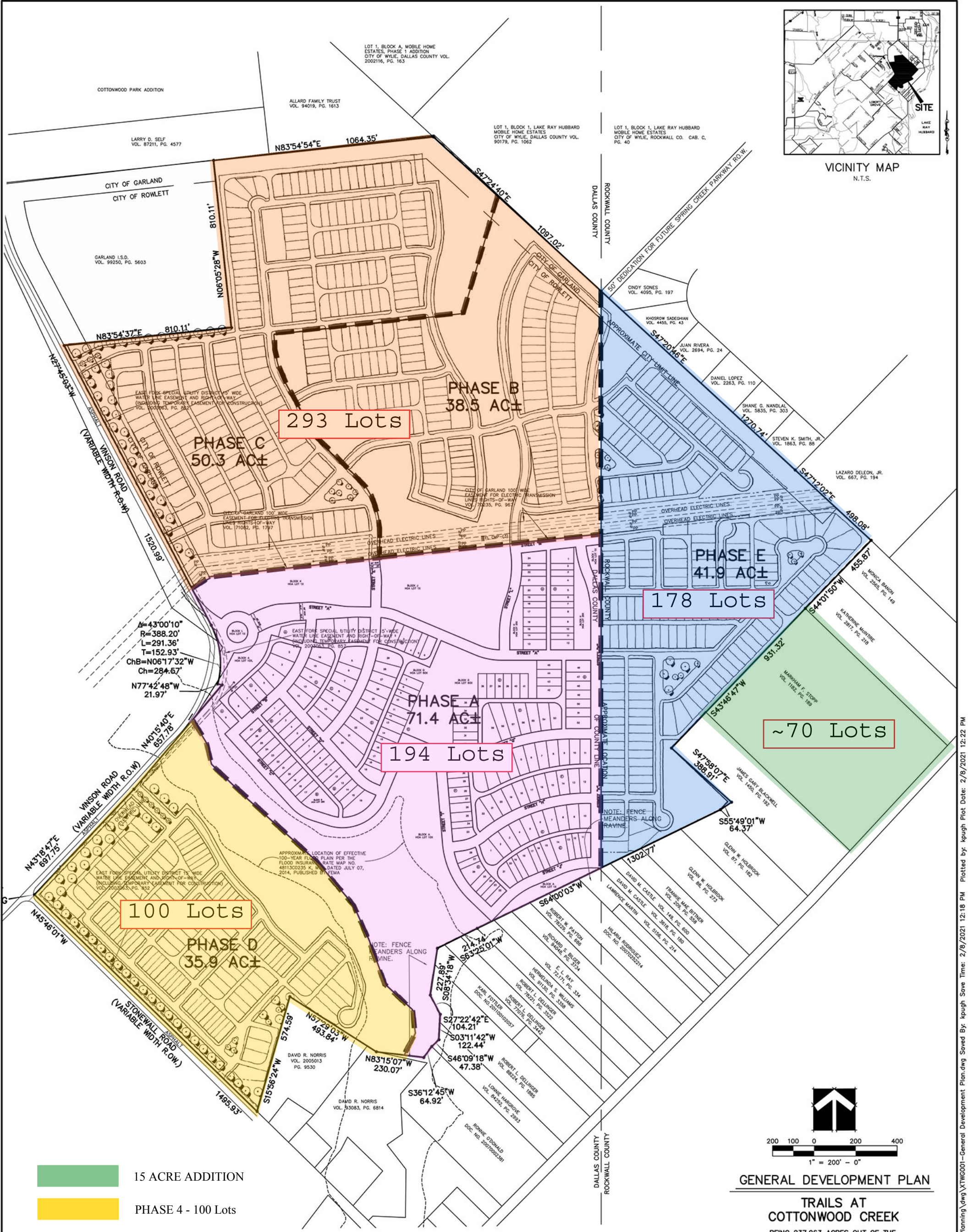
GRAPHIC SCALE 1"=100'

100 0 100 200

PHASE E - NORTH: 47 LOTS
PHASE E - SOUTH: 130 LOTS
15 ACRES: 60 LOTS

JBI PARTNERS 2121 Midway Road Suite 300 Carrollton, Texas 75006 972.248.7676 TBPE No. F-438 TBPLS No. 10076000	TRAILS AT COTTONWOOD CREEK - DRAFT LAYOUT PHASE E & 15 ACRES TRAILS AT COTTONWOOD CREEK City of Rowlett, Rockwall County, Texas	PROJECT NO. TWG001 SHEET NO. 1

Plotted by: ychoi Plot Date: 5/4/2023 10:12 AM
Drawing: H:\Projects\TWG001-Cottonwood Creek\Overall - Preliminary Plat\Surveying\dwg\xTWG001-ppt (PH 5 & 15 Acres)-3.dwg Saved By: ychoi Save Time: 5/4/2023 10:11 AM



15 ACRE ADDITION

PHASE 4 - 100 Lots

FINISHED LOTS

UNDER DEVELOPMENT

UNDER DEVELOPMENT

NOTE:
THE LOT MIX SHOWN IS SUBJECT TO CHANGE AND SHALL BE CONSISTENT WITH APPROVED TRAILS AT COTTONWOOD CREEK PLANNED DEVELOPMENT STANDARDS AND SUBSEQUENT DEVELOPMENT AGREEMENT(S).

GENERAL DEVELOPMENT PLAN

TRAILS AT COTTONWOOD CREEK

BEING 237.963 ACRES OUT OF THE
WILLIAMS BLEVINS SURVEY, DALLAS COUNTY ABSTRACT NO. 95
AND ROCKWALL COUNTY ABSTRACT NO. 8
ML PRICE SURVEY, DALLAS COUNTY ABSTRACT NO. 1115
AND ROCKWALL COUNTY ABSTRACT NO. 257
ELISHA PRICE SURVEY, DALLAS COUNTY ABSTRACT NO. 1114
AND ROCKWALL COUNTY ABSTRACT NO. 256
ATKINSON CLEMENTS SURVEY, DALLAS COUNTY ABSTRACT NO. 255

CITY OF ROWLETT
DALLAS AND ROCKWALL COUNTY, TEXAS

TRAIL CREEK PARTNERS — OWNER/DEVELOPER
4040 N. Central Expressway, Suite 850 (214) 368-0238
Dallas, Texas 75204
Contact: Preston Walhood

JBI PARTNERS, INC. — SURVEYOR/ENGINEER
2121 Midway Road, Suite 300 (972)248-7676
Carrollton, Texas 75006
Contact: Lee J. Radley, P.E.
TBPE No. F-438 TBPLS No. 10076000

Date: February 8, 2021

Drawing: H:\Projects\TWG001-Cottonwood Creek\Phase 1\Planning\dwg\XTWG001-General Development Plan.dwg Saved By: kpugh Save Time: 2/8/2021 12:18 PM Plotted by: kpugh Plot Date: 2/8/2021 12:22 PM

SHERI TATE
DOC. NO. 20080000397967

MONICA BANON
VOL. 2565, PG. 149

70 PROPOSED LOTS

TRAILS AT COTTONWOOD CREEK
PHASE 5

GRAPHIC SCALE 1"=100'
100 0 100 200

EAST FORK SPECIAL UTILITY DISTRICT 15' WIDE
WATER LINE EASEMENT AND RIGHT-OF-WAY
(INCLUDING TEMPORARY EASEMENT FOR CONSTRUCTION)
VOL. 2783, PG. 263

JAMES GARY BLACKWELL
VOL. 2659, PG. 111

TROY ROAD
(VARIABLE WIDTH R.O.W)
(VARIABLE WIDTH R.O.W)

JBI PARTNERS
2121 Midway Road
Suite 300
Carrollton, Texas 75006
972.248.7676
TBPE No. F-438
TBPLS No. 10076000

TRAILS AT COTTONWOOD CREEK	PROJECT NO.
15 ACRES TRACT	TWG001
TRAILS AT COTTONWOOD CREEK	SHEET NO.
City of Rowlett, Rockwall County, Texas	1

Plotted by: cparnell Plot Date: 3/13/2026 12:08 PM
Drawing: H:\Projects\TWG001-Cottonwood Creek\Overall - Preliminary Plat\Surveying\dwg\xTWG001-ppt (PH 5 & 15 Acres).dwg Saved By: cparnell Save Time: 3/13/2026 12:08 PM

City of Rowlett
City Council Agenda Item

Meeting Date: 7/21/2026 **Agenda Item:** 5.C.

Title
Consider action to adopt a resolution appointing a board member to the Rowlett Housing Finance Corporation (HFC) for an unexpired term.

Staff Representative
Deborah Sorensen, City Secretary

Executive Summary
Consider action to adopt a resolution appointing a board member to the Rowlett Housing Finance Corporation (HFC) for an unexpired term.

Strategic Priority and Goal(s)

Strategic Priority	Strategic Goal
GOVERN TRANSPARENTLY & INCLUSIVELY	1.8 Provide accurate and timely information to policy-makers and the public.

Background Information
Council Member Michael Schupp previously served as a member of the Rowlett Housing Finance Corporation (HFC) Board of Directors. Upon the end of his term as City Council, Mr. Schupp resigned his position on the HFC Board, creating a vacancy for the remainder of his unexpired term, which will expire August 5, 2029.

To fill the vacancy, the City accepted applications from interested residents. Due to a limited number of applications received during the initial application period, the deadline was extended to encourage additional participation. Following the extension, the applicants listed below were the only individuals who submitted applications for consideration.

The City Council is requested to review the applications and appoint one applicant to serve on the Rowlett Housing Finance Corporation Board of Directors for the remainder of the unexpired term.

Discussion
On July 20, 2026, at the City Council Work Session, the following individuals were

interviewed: Christina Lee, Brandalyn Rodgers, and Valencia Akanji.

Financial/Budget Implications
N/A

Recommended Action
Adopt a resolution appointing a board member to fill the vacancy for the unexpired term of the Rowlett HFC.

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ROWLETT, TEXAS APPOINTING A DIRECTOR TO THE BOARD OF DIRECTORS OF THE ROWLETT HOUSING FINANCE CORPORATION TO FILL A VACANCY FOR THE UNEXPIRED TERM CREATED BY THE RESIGNATION OF MICHAEL SCHUPP; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, Michael Schupp has resigned his position as a Director on the Rowlett Housing Finance Corporation ("RHFC") Board of Directors; and

WHEREAS, the City Council desires to fill the vacancy by appointing a director to the position for the unexpired term ending August 5, 2029;

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

SECTION 1. _____ is hereby appointed to serve as a Director on the Rowlett Housing Finance Corporation Board of Directors in the vacant position created by the resignation of Director Michael Schupp, for the remaining, unexpired term, which expires August 5, 2029.

SECTION 2. This Resolution shall take effect immediately upon passage.

4933-7146-8733, v. 1

Attachments
1. RES-092-25 Appointing members to the Board of Directors on the Rowlett Housing Finance Corporation

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ROWLETT, TEXAS APPOINTING MEMBERS TO THE BOARD OF DIRECTORS OF THE ROWLETT HOUSING FINANCE CORPORATION; AND PROVIDING AN EFFECTIVE DATE

WHEREAS, the Articles of Incorporation of the Rowlett Housing Finance Corporation ("RHCF") provide for appointment of members of the Corporation's Board of Directors by the City Council of the City of Rowlett for four year terms; and

WHEREAS, appointments of members to the Board RHFC Board of Directors as set forth in this resolution are necessary in order to align the appointment cycle with the intent of the Articles of Incorporation;

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

SECTION 1. The following persons are hereby appointed to serve as members of the Board of Directors of the Rowlett Housing Finance Corporation for the terms indicated:

Name	Term	Term-End Date	Notes
Michael Schupp	4-year	August, 2029	City Councilmember
Mike Britton	2-year	August, 2027	City Councilmember
Richard Kull	2-year	August, 2027	Community member
Cindy Dunnican	4-year	August, 2029	Community member
Carter Holston	4-year	August, 2029	Community member

SECTION 2. This resolution shall take effect immediately from and after its passage.

At a meeting of the City Council on August 5, 2025, this Resolution be adopted. The motion carried by the following vote:

Ayes: 6 Mayor Winget, Mayor Pro Tem Schupp, Deputy Mayor Pro Tem Britton, Councilmember Reaves, Councilmember Gibbs and Councilmember Bowers III.

Absent: 1 Councilmember Bowers

(The remainder of this page was intentionally left blank.)

Approved by _____ **Date** **August 5, 2025**
Jeff Winget, Mayor

Approved to form by _____ **Date** **August 5, 2025**
Victoria Thomas, City Attorney

Certified by _____ **Date** **August 5, 2025**
Deborah Sorensen, City Secretary

City of Rowlett
City Council Agenda Item

Meeting Date: 7/21/2026 **Agenda Item:** 5.D.

Title
Consider action to adopt a resolution Establishing the Rowlett 75th Anniversary Task Force as an Ad Hoc Committee, Providing for its Purpose, Membership, Duties, Organization, Meetings, Staff Support, Reporting, and Sunset, and providing an effective date.

Staff Representative
John Bowers III, Councilmember Place 6

Executive Summary
As part of the City's commitment to fostering civic engagement, preserving community heritage, and celebrating Rowlett's proud history, staff recommends the establishment of the Rowlett 75th Anniversary Task Force (the "Task Force"). The purpose of the Task Force will be to plan, coordinate, and support the City's year-long 75th Anniversary Celebration culminating on September 4, 2027, marking seventy-five years since Rowlett's incorporation.

Given the significance of this milestone and the extensive planning required for community events, sponsorship development, historical programming, and stakeholder engagement, staff recommends that the Task Force be appointed by City Council no later than September 2026 to provide a full year of preparation before the anniversary celebration.

Strategic Priority and Goal(s)

Strategic Priority	Strategic Goal
ENHANCE QUALITY OF LIFE	4.4 Create spaces, activities, and events for the arts, cultural enrichment, and community celebrations.

Background Information
The City of Rowlett was officially incorporated on September 4, 1952. The year 2027 will mark the City's 75th Anniversary, representing an important opportunity to celebrate Rowlett's history, recognize the contributions of residents past and present, and engage the broader community in commemorative activities.

Municipal milestone anniversaries often include signature events, historical exhibits, educational initiatives, public art projects, business partnerships, volunteer

opportunities, and community-wide celebrations. Due to the scope of planning required, communities frequently establish citizen-led advisory groups or task forces to assist with event planning and implementation.

A volunteer task force model will allow the City to leverage community expertise, encourage broad public participation, distribute planning responsibilities, and create greater ownership of the celebration among residents, businesses, schools, civic organizations, and community stakeholders.

To ensure adequate time for sponsorship solicitation, fundraising, venue reservations, marketing, programming, and event coordination, staff recommends the Task Force be seated and operational by September 2026.

Discussion

Task Force Purpose:

The Rowlett 75th Anniversary Task Force will serve as a Council-appointed volunteer advisory body responsible for assisting the City in planning, coordination, and promoting activities associated with Rowlett's 75th Anniversary Celebration.

The Task Force will work collaboratively with City staff, community organizations, educational institutions, local businesses, and residents to develop a comprehensive anniversary program that reflects Rowlett's history, diversity, and community spirit.

Task Force Composition:

Staff recommends a membership structure consisting of twelve (12) to fifteen (15) members appointed by City Council. Recommended membership includes:

- One (1) Council Liaison serving in a non-voting ex-officio capacity
- One (1) Task Force Chair elected by members from the membership
- Ten (10) to thirteen (13) at-large citizen members representing residents, business leaders, community organizations, educational institutions, historians, and long-time community stakeholders
- One (1) Staff Liaison serving in a non-voting capacity

Terms of Service: Members would serve from appointment in September 2026 through November 2027, allowing sufficient time for post-event evaluation, reporting, and completion of inal deliverables.

Eligibility Requirements — Applicants must:

- Reside within the City of Rowlett or own a business located within the city limits
- Be at least eighteen (18) years of age

- Demonstrate an interest in community engagement and civic participation

Preference may be given to applicants possessing experience in:

- Event Planning
- Marketing & Communications
- Fundraising & Sponsorship Development
- Historical Preservation & Archival Work
- Nonprofit Leadership & Volunteer Management

Subcommittee Structure — To efficiently manage planning activities, staff recommends establishment of the following subcommittees:

- Events & Programming
- History & Heritage
- Sponsorship & Fundraising
- Marketing & Communications
- Logistics & Operations
- Community & Youth Engagement

Application & Appointment Timeline:

July 2026 - Council authorizes formation of the Task Force

July 2026 - Application materials finalized and recruitment campaign launched

Mid-July 2026 - Applications open

Mid-August 2026 - Applications close

Late August 2026 - Applicant review and interviews (if necessary)

September 15, 2026 - Council appointments finalized

Late September/Early October 2026 - First Task Force meeting convened

October 2026 - Summer 2026 - Planning & Implementation Phase

September 2027 - 75th Anniversary Celebration

November 2027 - Final report presented and Task Force sunset

Recruitment Strategy:
Staff proposes utilizing multiple outreach methods to maximize applicant participation, including:

- City website application portal
- Dedicated 75th Anniversary webpage
- City social media channels
- Community events and facilities
- Chamber of Commerce outreach
- Homeowners Associations
- Civic & Non-Profit Organizations

Applications will request basic contact information, residency or business ownership history, relevant experience, availability, and a brief statement describing the applicant's interest in serving.

Staff Support Requirements:
Successful implementation of the Task Force will require coordination among multiple City departments.

City Secretary's Office responsibilities include:

- Application administration
- Board appointment process management
- Public meeting compliance support

Communications Department responsibilities include:

- Recruitment and promotional efforts
- Public engagement campaigns
- Branding and messaging support

Assigned Staff Liaison responsibilities include:

- Meeting coordination
- Departmental communication
- Budget and procurement guidance

Legal Department responsibilities include:

- Open Meetings Act compliance review
- Public Information Act guidance

- Governances and procedural support

Financial/Budget Implications
The creation of the Task Force itself has minimal fiscal impact. Future anniversary programming, marketing, sponsorship activities, and commemorative events may require budget allocations that will be evaluated and presented to Council through the annual budget process and future agenda items.

Recommended Action
Authorize the adoption of the resolution creating the Rowlett 75th Anniversary Task Force as a Council-appointed citizen volunteer body and direct staff, after creation of the Task Force, to initiate the application, recruitment, and appointment process with the goal of seating the Task Force no later than September 15, 2026.

Attachments
1. Resolution - 75th Anniversary Task Force

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ROWLETT, TEXAS, ESTABLISHING THE ROWLETT 75TH ANNIVERSARY TASK FORCE AS AN AD HOC COMMITTEE; PROVIDING FOR ITS PURPOSE, MEMBERSHIP, DUTIES, ORGANIZATION, MEETINGS, STAFF SUPPORT, REPORTING, AND SUNSET; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the City of Rowlett was incorporated on September 4, 1952, and will celebrate the 75th Anniversary of its incorporation on September 4, 2027; and

WHEREAS, the City Council desires to commemorate this historic milestone through a community-wide celebration honoring the City's history, recognizing the contributions of its residents, businesses, civic organizations, and employees, and inspiring continued civic pride; and

WHEREAS, the City Council finds that community participation is essential to the success of the City's 75th Anniversary Celebration and that the establishment of a temporary citizen task force will facilitate planning, volunteer engagement, fundraising, community partnerships, and public participation;

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

Section 1. Establishment. The City Council hereby establishes the Rowlett 75th Anniversary Task Force ("Task Force") as an ad hoc committee of the City of Rowlett.

Section 2. Purpose.

(a) The purpose of the Task Force is to be responsible for working with City staff liaisons, under the ultimate oversight of the City Council, to perform all planning, organizing, coordinating, promoting, fundraising for, and implementing activities necessary for conducting a 75th Anniversary celebration on September 4, 2027.

(b) The Task Force shall develop a comprehensive Master 75th Anniversary Celebration Plan and present its recommendations to the City Council no later than January 1, 2027. The Master Celebration Plan should include:

i. Anniversary theme, branding, and proposed events and activities;
ii. celebration calendar;
iii. historical and educational programming
iv. sponsorship, community partnerships, and fundraising strategy;
v. marketing, communications, and public outreach plan;
vi. volunteer plan (recruitment and coordination) ;
vii. budget recommendations;
viii. community partnerships; and
ix. implementation timeline.

(c) Working in coordination with Staff Liaison, the Task Force shall take all steps necessary to carry out the Council-approved Master Celebration Plan, including, but not limited to

Section 3. Membership. The Task Force shall consist of (a) eleven (11) voting members who must be citizens of the City of Rowlett and at least 18 years of age, each of whom will be appointed by the City Council, (b) two (2) non-voting City Council liaisons: Councilmember Chris Kizziar; and Deputy Mayor Pro Tem John P. Bowers, III, and (c) a non-voting City staff liaison to be appointed by the City Manager. Citizen members shall serve without compensation. To the extent practicable, appointments should reflect a broad cross-section of the Rowlett community, including representation from neighborhoods, businesses, civic organizations, schools, arts organizations, historical organizations, veterans' organizations, and other community stakeholders. Task force members may be removed for any reason by the City Council. Vacancies shall be filled by appointment of the City Council.

Section 4. Officers and Organization. The Task Force shall elect from among its voting members a Chair and Vice Chair. Each subcommittee shall report regularly to the full Task Force.

Section 5. Staff Liaison. The City Manager shall designate a staff liaison to provide administrative and organizational support to the Task Force. The staff liaison shall coordinate meetings and agendas; provide administrative support; coordinate with City departments; assist with budgeting and procurement processes; facilitate communications between the Task Force and City staff; and provide such additional assistance as necessary to support the work of the Task Force. The Task Force shall work collaboratively and directly with the designated staff liaison throughout the planning and implementation of the anniversary celebration.

Section 6. Meetings. The Task Force shall meet at least monthly and may hold additional meetings as necessary. Meetings shall be conducted in accordance with the Texas Open Meetings Act and applicable City policies.

Section 7. Community Partnerships. The Task Force is encouraged to coordinate and collaborate with community organizations in planning and implementing anniversary activities, including, as appropriate the Rowlett Area Chamber & Visitors Center; the Rowlett Historical Society, Garland and Rockwall Independent School Districts and local schools; neighborhood associations; civic and service organizations; arts and cultural organizations; veterans organizations; faith-based organizations; local businesses and corporate sponsors; and other nonprofit and community organizations whose participation would contribute to the success of the City's 75th Anniversary Celebration.

Section 8. Fundraising. Subject to applicable law and City financial policies, the Task Force may, with the assistance of City staff, identify sponsorship opportunities, cultivating community partnerships, soliciting donations, coordinating fundraising efforts, and recommending sponsorship agreements for consideration by the City. All donations, sponsorships, contracts, and expenditures shall be administered in accordance with applicable law and City policies and shall be subject to approval by the City Council or City administration as required.

Section 9. Reports. The Task Force shall provide periodic progress reports to the City Council and shall submit a final report summarizing the anniversary celebration, community participation, fundraising efforts, and recommendations for future commemorative initiatives following completion of the celebration.

Section 10. Sunset. The Rowlett 75th Anniversary Task Force shall automatically dissolve on November 1, 2027, unless earlier dissolved by action of the City Council.

Section 11. Effective Date. This Resolution shall become effective immediately upon its adoption.

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City of Rowlett
City Council Agenda Item

Meeting Date: 7/21/2026 **Agenda Item:** 5.E.

Title
Consider action to adopt a resolution authorizing the purchase of pavement rehabilitation and resurfacing services for Chiesa Road, from Texas Materials Group, Inc., dba TexasBit, through an Ellis County cooperative contract for a price not to exceed $647,868.12; authorizing the Mayor or his designee to execute the Construction Agreement and all necessary documents to effectuate said purchase; and providing an effective date.

Staff Representative
Gary Enna, Interim Director of PW/City Engineering
Kristoff Bauer, Interim City Manager

Executive Summary
The purpose of this item is to award a contract to Texas Materials Group, Inc. for the asphalt rehabilitation of Chiesa Road from Miller Road to SH 66. The project is funded through the Asphalt Improvements ST2167 account.

Strategic Priority and Goal(s)

Strategic Priority	Strategic Goal
Invest in Transportation & Infrastructure	6.2 Upgrade residential streets, alleys, drainage ways, and utility systems.

Background Information
Chiesa Road, from Miller Road to SH 66, is a 1.2-mile segment of a major north-south corridor serving the City of Rowlett. The existing roadway has become uneven and includes steep transitions at intersecting roadways, resulting in reduced ride quality.

As part of this rehabilitation project, the existing pavement surface will be milled 5' inches to restore the roadway to its original design grades and transitions, with excess material removed from the site. The roadway base will be strengthened through cement stabilization, followed by the placement of a 2-inch hot mix asphalt concrete (HMAC) overlay to provide a durable, smooth driving surface.

The City of Rowlett will deliver the project through an inter-local agreement with Ellis County. Texas Materials, the selected contractor, has successfully completed similar

roadway rehabilitation projects for the City, including Liberty Grove Road, the Chiesa Road at Liberty Grove intersection, and Castle Road.

Funding for the road rehabilitation based on the proposal will come from the ST2167 Asphalt Improvements account.

Discussion

The City of Rowlett will rehabilitate the 1.2-mile, 24-foot-wide section of Chiesa Road between Miller Road and SH 66 through Inter-local Agreement RFB No. 2024-010 with Ellis County. With Council approval the construction contract will awarded to Texas Materials in the amount of $686,188.92. Texas Materials has successfully completed several roadway rehabilitation projects for the City, including Liberty Grove Road, the Chiesa Road at Liberty Grove intersection, and Castle Road. Construction is anticipated to begin in early August.

Chiesa Road serves as a major north-south arterial, carrying an average daily traffic volume of 7,684 vehicles. Traffic is heaviest on Mondays and Fridays, with peak-hour volumes reaching approximately 715 vehicles per hour during the morning peak and 738 vehicles per hour during the afternoon peak. These traffic counts demonstrate that Chiesa Road is a well-utilized corridor with consistent daily and peak-hour travel patterns, underscoring the importance of maintaining the roadway in good condition.

Figure 1

Financial/Budget Implications

Miller Road Asphalt Rehabilitation will be funded through the ST2167 Asphalt Improvements fund.

CIP Project Budget Financial Table

Project Code	Project Title	Available Budget	Proposed Amount	Remaining Balance
ST2167	Asphalt Improvements	$1,605,036.67	$647,868.12	$957,168.55
TOTAL		$1,605,036.67	$647,868.12	$957,168.55

Recommended Action

Move to adopt a resolution authorizing the purchase of pavement rehabilitation and resurfacing services for Chiesa Road, from Texas Materials Group, Inc., dba TexasBit, through an Ellis County cooperative contract for a price not to exceed $647,868.12; authorize the Mayor or his designee to execute the Construction Agreement and all necessary documents to effectuate said purchase; and provide an effective date.

A RESOLUTION OF THE CITY OF ROWLETT AUTHORIZING THE PURCHASE OF PAVEMENT REHABILITATION AND RESURFACING SERVICES FOR A PORTION OF CHIESA ROAD FROM TEXAS MATERIALS GROUP, INC., D/B/A TEXAS BIT FOR A TOTAL PRICE NOT TO EXCEED $647,868.12, UTILIZING A COOPERATIVE PURCHASING AGREEMENT WITH ELLIS COUNTY; AUTHORIZING THE MAYOR TO EXECUTE ALL NECESSARY AND RELATED DOCUMENTS; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, City desires to purchase pavement rehabilitation and resurfacing services for a 1.2-mile, 24-foot-wide section of Chiesa Road between Miller Road and SH 66 from Texas Materials Group, Inc., d/b/a Texas Bit, utilizing the terms of an Interlocal Cooperation Contract Between County of Ellis and City of Rowlett (the "Cooperative Purchasing Agreement"); and

WHEREAS, the City Council finds it to serve the health, safety and general welfare of the citizens of the City to approve this purchase;

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

Section 1. The City Council hereby approves and authorizes the purchase of pavement rehabilitation and resurfacing services for a 1.2-mile, 24-foot-wide section of Chiesa Road between Miller Road and SH 66 from Texas Materials Group, Inc., a Delaware for-profit corporation, d/b/a Texas Bit, for total compensation not to exceed $647,868.12.

Section 2. The Mayor or his designee is hereby authorized to execute any and all necessary and related documents for the authorized purchase.

Section 3. This resolution shall take effect immediately from and after its passage and it is accordingly so resolved.

Attachments

1. Attachment 1 - Construction Agreement - Executed

CONSTRUCTION AGREEMENT

THE STATE OF TEXAS)
)
COUNTY OF DALLAS)

KNOW ALL MEN BY THESE PRESENTS:

This Construction Agreement (the "Agreement") is made by and between **Texas Materials Group, Inc. dba TexasBit** (the "Contractor") and the **City of Rowlett, Texas**, a municipal corporation (the "Owner"). For and in consideration of the payment, agreements and conditions hereinafter mentioned, and under the conditions expressed in the bonds herein, Contractor hereby agrees to provide all goods required and complete the construction of improvements described as follows:

PAVEMENT REHABILITATION AND RESURFACING SERVICES – CHIESA RD
THROUGH ELLIS COUNTY COOPERATIVE CONTRACT NO. RFB 2024-010

in the City of Rowlett, Texas, and all extra work in connection therewith, under the terms as stated in the terms of this Agreement, including all Contract Documents incorporated herein (the "Project") and at Contractor's own proper cost and expense to furnish all superintendence, labor, insurance, equipment, tools and other accessories and services necessary to complete the said construction in accordance with all the Contract Documents (collectively, the provision of required goods, construction of the Project, and all required extra work is referred to herein collectively as the "Work"), incorporated herein as if written word for word, and in accordance with the Plans, which include all maps, plats, blueprints, and other drawings and printed or written explanatory manner therefore, and the Specifications as prepared by City of Rowlett or its consultant hereinafter called Engineer, who has been identified by the endorsement of the Contractor's written bid, the General Conditions of this Agreement, the Special Conditions of this Agreement, and the payment and performance bonds hereto attached; all of which are made a part hereof and collectively evidence and constitute the entire Contract.

A. Contract Documents and Order of Precedence

The Contract Documents shall consist of the following documents:

1. this Construction Agreement;
2. Ellis County Contract No. RFB 2024-010;
3. properly authorized change orders;
4. the Special Conditions of this Contract;
5. the General Conditions of this Contract;
6. the Scope of Services and Project Timeline of this Agreement (Attachment 1);
7. the OWNER's written notice to proceed to the CONTRACTOR;
8. the Contractor's Cost Bid (Attachment 2);
9. the Performance and Payment Bonds; and,
10. any other materials distributed by the Owner that relate to the Project.

These Contract Documents are incorporated by reference into this Construction Agreement as if set out here in their entirety. The Contract Documents are intended to be complementary; what is called for by one document shall be as binding as if called for by all Contract Documents. It is specifically provided, however, that in the event of any inconsistency in the Contract Documents, the inconsistency shall be resolved by giving precedence to the Contract Documents in the order in which they are listed herein above. If, however, there exists a conflict or inconsistency between the Technical Specifications and the Construction Drawings it shall be the Contractor's obligation to seek clarification as to which requirements or provisions control before undertaking any work on that component of the project. Should the Contractor fail or refuse to seek a clarification of such conflicting or inconsistent requirements or provisions prior to any work on that component of the project, the Contractor shall be solely responsible for the costs and expenses - including additional time - necessary to cure, repair and/or correct that component of the Project.

B. Total of Payments Due Contractor

For performance of the Work in accordance with the Contract Documents, the Owner shall pay the Contractor in current funds an amount not to exceed **Six Hundred Forty-Severn Thousand Eight Hundred Sixty-Eight dollars and Twelve cents ($647,868.12).** This amount is subject to adjustment by change order in accordance with the Contract Documents.

C. Dates to Start and Complete Work

Contractor shall begin work within ten (10) calendar days after receiving a written Notice to Proceed or written Work Order from the Owner. All Work required under the Contract Documents shall be substantially completed in compliance with the Project Timeline (Attachment 2) and within 30 days after the date of the Notice to Proceed for the project. Within fifteen (15) additional calendar days after Substantial Completion, all outstanding issues shall be addressed and ready for final payment.

Under this Construction Agreement, all references to "day" are to be considered "calendar days" unless noted otherwise.

D. CONTRACTOR'S WAIVER OF CLAIMS AND INDEMNITY TO THE OWNER AND OTHERS

CONTRACTOR DOES HEREBY AGREE TO WAIVE ALL CLAIMS, RELEASE, INDEMNIFY, DEFEND AND HOLD HARMLESS THE CITY OF ROWLETT (OWNER) TOGETHER WITH ITS CURRENT, FUTURE, AND FORMER ELECTED AND APPOINTED OFFICIALS AND OFFICERS, AGENTS AND EMPLOYEES, IN BOTH THEIR OFFICIAL AND INDIVIDUAL CAPACITIES ("INDEMNITEES"), FROM AND AGAINST ANY AND ALL CITATIONS, CLAIMS, COSTS, DAMAGES, DEMANDS, EXPENSES, FINES, JUDGMENTS, LIABILITY, LOSSES, PENALTIES, SUITS OR CAUSES OF ACTION OF EVERY KIND INCLUDING, BUT NOT LIMITED TO, ALL EXPENSES OF LITIGATION AND/OR SETTLEMENT, COURT COSTS AND ATTORNEY FEES WHICH MAY ARISE BY REASON OF INJURY TO OR DEATH OF ANY PERSON AND/OR FOR LOSS OF, DAMAGE TO, OR LOSS OF USE OF ANY PROPERTY OCCASIONED BY ANY ACT OR OMISSION OF CONTRACTOR, ITS SUBCONTRACTORS, ANY OFFICERS, AGENTS OR EMPLOYEES OF CONTRACTOR OR ANY SUBCONTRACTORS, INVITEES, AND ANY OTHER THIRD PARTIES OR PERSONS FOR WHOM OR WHICH CONTRACTOR IS LEGALLY RESPONSIBLE, IN ANY WAY ARISING OUT OF, RELATING TO, RESULTING FROM, OR IN CONNECTION WITH THE

PERFORMANCE OF THIS CONTRACT, AND CONTRACTOR WILL AT ITS OWN COST AND EXPENSE DEFEND AND PROTECT INDEMNITEES FROM ANY AND ALL SUCH CLAIMS AND DEMANDS.

IN ANY AND ALL CLAIMS AGAINST ANY PARTY INDEMNIFIED HEREUNDER BY ANY EMPLOYEE OF THE CONTRACTOR, ANY SUB-CONTRACTOR, ANYONE DIRECTLY OR INDIRECTLY EMPLOYED BY ANY OF THEM OR ANYONE FOR WHOSE ACTS ANY OF THEM MAY BE LIABLE, THE INDEMNIFICATION OBLIGATION HEREIN PROVIDED SHALL NOT BE LIMITED IN ANY WAY BY ANY LIMITATION ON THE AMOUNT OR TYPE OF DAMAGES, COMPENSATION OR BENEFITS PAYABLE BY OR FOR THE CONTRACTOR OR ANY SUB-CONTRACTOR UNDER WORKMEN'S COMPENSATION OR OTHER EMPLOYEE BENEFIT ACTS.

INDEMNIFIED ITEMS SHALL INCLUDE ATTORNEYS' FEES AND COSTS, COURT COSTS, AND SETTLEMENT COSTS. INDEMNIFIED ITEMS SHALL ALSO INCLUDE ANY EXPENSES, INCLUDING ATTORNEYS' FEES AND EXPENSES, INCURRED BY AN INDEMNIFIED INDIVIDUAL OR ENTITY IN ATTEMPTING TO ENFORCE THIS INDEMNITY.

CONTRACTOR DOES HEREBY AGREE TO WAIVE ALL CLAIMS, RELEASE, INDEMNIFY, DEFEND AND HOLD HARMLESS INDEMNITEES FROM AND AGAINST ANY AND ALL CITATIONS, CLAIMS, COSTS, DAMAGES, DEMANDS, EXPENSES, FINES, JUDGMENTS, LIABILITY, LOSSES, PENALTIES, SUITS OR CAUSES OF ACTION OF EVERY KIND INCLUDING BUT NOT LIMITED TO ALL EXPENSES OF LITIGATION AND/OR SETTLEMENT, COURT COSTS AND ATTORNEYS FEES FOR INJURY OR DEATH OF ANY PERSON OR FOR LOSS OF, DAMAGES TO, OR LOSS OF USE OF ANY PROPERTY, ARISING OUT OF OR IN CONNECTION WITH THE PERFORMANCE OF THIS CONTRACT. SUCH WAIVER AND RELEASE OF CLAIMS SHALL APPLY WHETHER THE CITATIONS, CLAIMS, COSTS, DAMAGES, DEMANDS, EXPENSES, FINES, JUDGMENTS, LIABILITY, LOSSES, PENALTIES, SUITS OR CAUSES OF ACTION ARISE IN WHOLE OR IN PART FROM THE NEGLIGENCE OF ANY ONE OR MORE OF THE INDEMNITEES. IT IS THE EXPRESS INTENTION OF THE PARTIES HERETO THAT THE WAIVER PROVIDED FOR IN THIS PARAGRAPH IS A WAIVER BY THE CONTRACTOR TO WAIVE ALL CLAIMS AGAINST INDEMNITEES OR ANY OF THEM ARISING IN WHOLE OR IN PART FROM THE INDEMNITEES' NEGLIGENCE.

In its sole discretion, the Owner shall have the right to approve counsel to be retained by Contractor in fulfilling its obligation to defend and indemnify the Owner. Contractor shall retain approved counsel for the Owner within seven (7) business days after receiving written notice from the Owner that it is invoking its right to indemnification under this Construction Agreement. If Contractor does not retain counsel for the Owner within the required time, then the Owner shall have the right to retain counsel and the Contractor shall pay these attorneys' fees and expenses.

The Owner retains the right to provide and pay for any or all costs of defending indemnified items, but it shall not be required to do so. To the extent that Owner elects to provide and pay for any such costs, Contractor shall indemnify and reimburse Owner for such costs.

The Parties agree that this indemnification clause set forth in this paragraph D is not prohibited by Chapter 151 of the Texas Insurance Code as it falls within one of the exclusions contained in Section 151.105 of the Texas Insurance Code.

E. Insurance Requirements

Contractor shall procure and maintain for the duration of this Agreement, insurance against claims for injuries to persons or damages to property which may arise from or in connection with the performance of the Work hereunder by the Contractor, his agents, representatives, employees or subcontractors. The cost of such insurance shall be deemed included in the Contractor's bid. A certificate of insurance meeting all requirements and provisions outlined herein as **Exhibit A** shall be provided to the Owner prior to any services being performed or rendered. Renewal certificates shall also be supplied upon expiration. Certificates holder shall be listed as follows, with the project/contract number referenced:

City of Rowlett
Attn: Purchasing Manager
P.O. Box 99
Rowlett, Texas 75030-0099

F. Performance and Payment Bonds

The Contractor shall procure and pay for a Performance Bond applicable to the Work in the amount of one hundred fifteen percent (115%) of the total proposed price, and a Payment Bond applicable to the work in the amount of one hundred percent (100%) of the total proposed price. The performance and payment bonds shall be issued in the form attached to this Construction Agreement as **Exhibits B and C,** respectively. Other performance and payment bond forms shall not be accepted. Among other things, these bonds shall apply to any work performed during the contractor's warranty period after acceptance as described in this Construction Agreement.

The performance and payment bonds shall be issued by a corporate surety, acceptable to and approved by the City, authorized to do business in the State of Texas, pursuant to Chapter 2253 of the Texas Government Code. Further, the Contractor shall supply capital and surplus information concerning the surety and reinsurance information concerning the performance and payment bonds upon City request. In addition to the foregoing requirements, if the amount of the bond exceeds One Hundred Thousand Dollars ($100,000) the bond must be issued by a surety that is qualified as a surety on obligations permitted or required under federal law as indicated by publication of the surety's name in the current U.S. Treasury Department Circular 570. In the alternative, an otherwise acceptable surety company (not qualified on federal obligations) that is authorized and admitted to write surety bonds in Texas must obtain reinsurance on any amounts in excess of One Hundred Thousand Dollars ($100,000) from a reinsurer that is authorized and admitted as a reinsurer in Texas who also qualifies as a surety or reinsurer on federal obligations as indicated by publication of the surety's or reinsurer's name in the current U.S. Treasury Department Circular 570.

G. Progress Payments and Retainage

As it completes portions of the Work, the Contractor may request progress payments from the Owner. Progress payments shall be made by the Owner based on the Owner's estimate of the value of the Work properly completed by the Contractor since the time the last progress payment was made. The "estimate of the value of the work properly completed" shall include the net invoice value of acceptable, non-perishable materials actually delivered to and currently at the job site only if the Contractor provides to the Owner satisfactory evidence that material suppliers have been paid for these materials.

No progress payment shall be due to the Contractor until the Contractor furnishes to the Owner:

1. copies of documents reasonably necessary to aid the Owner in preparing an estimate of the value of Work properly completed;

2. full or partial releases of liens, including releases from subcontractors providing materials or delivery services relating to the Work, in a form acceptable to the Owner releasing all liens or claims relating to goods and services provided up to the date of the most recent previous progress payment;

3. an updated and current schedule clearly detailing the project's critical path elements; and

4. any other documents required under the Contract Documents.

Progress payments shall not be made more frequently than once every thirty (30) calendar days unless the Owner, in its sole discretion, determines that more frequent payments are appropriate. Further, progress payments are to be based on estimates and these estimates are subject to correction through the adjustment of subsequent progress payments and the final payment to Contractor. If the Owner determines after final payment that it has overpaid the Contractor, then Contractor agrees to pay to the Owner the overpayment amount specified by the Owner within thirty (30) calendar days after it receives written demand from the Owner.

The fact that the Owner makes a progress payment shall not be deemed to be an admission by the Owner concerning the quantity, quality or sufficiency of the Contractor's Work. Progress payments shall not be deemed to be acceptance of the Work nor shall a progress payment release the Contractor from any of its responsibilities under the Contract Documents.

After determining the amount of a progress payment to be made to the Contractor, the Owner shall withhold a percentage of the progress payment as retainage. The amount of retainage withheld from each progress payment shall be set at ten percent (10%). Retainage shall be withheld and may be paid to:

1. ensure proper completion of the Work. The Owner may use retained funds to pay replacement or substitute contractors to complete unfinished or defective work;

2. ensure timely completion of the Work. The Owner may use retained funds to pay liquidated damages; and

3. provide an additional source of funds to pay claims for which the Owner is entitled to indemnification from Contractor under the Contract Documents.

Retained funds shall be held by the Owner in accounts that shall not bear interest. Retainage not otherwise withheld in accordance with the Contract Documents shall be returned to the Contractor as part of the final payment.

H. Withholding Payments to Contractor

The Owner may withhold payment of some or all of any progress or final payment that would otherwise be due if the Owner determines, in its sole discretion, that the Work has not been performed in accordance with the Contract Documents. The Owner may use these funds to pay replacement or substitute contractors to complete unfinished or defective Work.

The Owner may withhold payment of some or all of any progress or final payment that would otherwise be due if the Owner determines, in its discretion, that it is necessary and proper to provide an additional source of funds to pay claims for which the Owner is entitled to indemnification from Contractor under the Contract Documents.

Amounts withheld under this section shall be in addition to any retainage.

I. Acceptance of the Work

When the Work is completed, the Contractor shall request that the Owner perform a final inspection. The Owner shall inspect the Work. If the Owner determines that the Work has been completed in accordance with the Contract Documents, it shall issue a written notice of acceptance of the Work. If the Owner determines that the Work has not been completed in accordance with the Contract Documents, then it shall provide the Contractor with a verbal or written list of items to be completed before another final inspection shall be scheduled.

It is specifically provided that Work shall be deemed accepted on the date specified in the Owner's written notice of acceptance of the Work. The Work shall not be deemed to be accepted based on "substantial completion" of the Work, use or occupancy of the Work, or for any reason other than the Owner's written Notice of Acceptance. Further, the issuance of a certificate of occupancy for all or any part of the Work shall not constitute a Notice of Acceptance for that Work.

In its discretion, the Owner may issue a Notice of Acceptance covering only a portion of the Work. In this event, the notice shall state specifically what portion of the Work is accepted.

J. Acceptance of Erosion Control Measures

When any required erosion control measures have been completed, the Contractor shall request that the Owner perform a final inspection. The Owner shall inspect the Work. If the Owner determines that the Work has been completed in accordance with the Contract Documents and per TPDES General Construction Permit, it shall issue a written Notice of Acceptance of the Work. If the Owner determines that the Work has not been completed in accordance with the Contract Documents or TPDES General Construction Permit, then it shall provide the Contractor with a verbal or written list of items to be completed before another final inspection shall be scheduled.

K. Final Payment

After all Work required under the Contract Documents has been completed, inspected, and accepted, the City shall calculate the final payment amount promptly after necessary measurements and computations are made. The final payment amount shall be calculated to:

1. include the estimate of the value of Work properly completed since the date of the most recent previous progress payment;

2. correct prior progress payments; and

3. include retainage or other amounts previously withheld that are to be returned to Contractor, if any.

Final payment to the Contractor shall not be due until the Contractor provides original full releases of liens from the Contractor and its subcontractors, or other evidence satisfactory to the Owner to show that all sums due for labor, services, and materials furnished for or used in connection with the Work have been paid or shall be paid with the final payment. To ensure this result, Contractor consents to the issuance of the final payment in the form of joint checks made payable to Contractor and others. The Owner may, but is not obligated to issue final payment using joint checks.

Final payment to the Contractor shall not be due until the Contractor has supplied to the Owner original copies of all documents that the Owner determines are reasonably necessary to ensure both that the final payment amount is properly calculated and that the Owner has satisfied its obligation to administer the Construction Agreement in accordance with applicable law. The following documents shall, at a minimum, be required to be submitted prior to final payment being due: redline as-built construction plans; consent of surety to final payment; public infrastructure inventory; affidavit of value for public infrastructure; and, final change order(s). "Redline as-built construction plans" shall include, but are not limited to markups for change orders, field revisions, and quantity overruns as applicable. The list of documents contained in this provision is not an exhaustive and exclusive list for every project performed pursuant to these Contract Documents and Contractor shall provide such other and further documents as may be requested and required by the Owner to close out a particular project.

Subject to the requirements of the Contract Documents, the Owner shall pay the Final Payment within thirty (30) calendar days after the date specified in the Notice of Acceptance. This provision shall apply only after all Work called for by the Contract Documents has been accepted.

L. Contractor's Warranty

For a two-year period after the date specified in a written notice of acceptance of Work, Contractor shall provide and pay for all labor and materials that the Owner determines are necessary to correct all defects in the Work arising because of defective materials or workmanship supplied or provided by Contractor or any subcontractor. This shall also include areas of vegetation that did meet TPDES General Construction Permit during final closeout but have since become noncompliant.

Forty-five (45) to sixty (60) calendar days before the end of the two-year warranty period, the Owner may make a warranty inspection of the Work. The Owner shall notify the Contractor of the date and time of this inspection so that a Contractor representative may be present. After the warranty inspection, and before the end of the two-year warranty period, the Owner shall mail to the Contractor a written notice that specifies the defects in the Work that are to be corrected.

The Contractor shall begin the remedial work within ten (10) calendar days after receiving the written notice from the City. If the Contractor does not begin the remedial work timely or prosecute it diligently, then the Owner may pay for necessary labor and materials to effect repairs and these expenses shall be paid by the Contractor, the performance bond surety, or both.

If the Owner determines that a hazard exists because of defective materials and workmanship, then the Owner may take steps to alleviate the hazard, including making repairs. These steps may be taken without prior notice either to the Contractor or its surety. Expenses incurred by the Owner to alleviate the hazard shall be paid by the Contractor, the performance bond surety, or both.

Any Work performed by or for the Contractor to fulfill its warranty obligations shall be performed in accordance with the Contract Documents. By way of example only, this is to ensure that Work performed during the warranty period is performed with required insurance and the performance and payment bonds still in effect.

Work performed during the two-year warranty period shall itself be subject to a one-year warranty. This warranty shall be the same as described in this section.

The Owner may make as many warranty inspections as it deems appropriate.

M. Compliance with Laws

The Contractor shall be responsible for ensuring that it and any subcontractors performing any portion of the Work required under the Contract Documents comply with all applicable federal, state, county, and municipal laws, regulations, and rules that relate in any way to the performance and completion of the Work. This provision applies whether or not a legal requirement is described or referred to in the Contract Documents.

Ancillary/Integral Professional Services: In selecting an architect, engineer, land surveyor, or other professional to provide professional services, if any, that are required by the Contract Documents, Contractor shall not do so on the basis of competitive bids but shall make such selection on the basis of demonstrated competence and qualifications to perform the services in the manner provided by Section 2254.004 of the Texas Government Code and shall so certify to the City the Contractor's agreement to comply with this provision with Contractor's bid.

N. Energy Boycott

In accordance with Chapter 2274, Texas Government Code (Acts 2021, 87th Leg., S.B. 13), the City may not enter into a contract with a company, excluding a sole proprietorship, with 10 or more full-time employees for goods or services valued at $100,000 or more unless the contract contains a written verification from the company that the company: (1) does not boycott energy companies; and (2) will not boycott energy companies during the term of the contract. The signatory executing the Contract on behalf of Seller verifies Seller does not boycott energy companies and will not boycott energy companies during the term of the Contract. The foregoing verification is made solely to comply with Section 2274.002, Texas Government Code, and does not apply if the City determines the requirements of Subsection 2274.002(b) are inconsistent with the City's constitutional or statutory duties related to the issuance, incurrence or management of debt obligations or the deposit, custody, management, borrowing or investment of funds.

O. Firearms

In accordance with Chapter 2274, Texas Government Code (Acts 2021, 87th Leg., S.B. 19) the City may not enter into a contract with a company, excluding a sole proprietorship, with 10 or more full-time employees for goods or services valued at $100,000 or more unless the contract contains a written verification from the company that the company: (1) does not have a practice, policy, guidance, or directive that discriminates against a firearm entity or firearm trade association; and (2) will not discriminate during the term of the contract against a firearm entity or firearm trade association. The signatory executing the Contract on behalf of Seller verifies Seller does not have a practice, policy, guidance, or directive that discriminates against a firearm entity or firearm trade association and will not discriminate during the term of the contract against a firearm entity or firearm trade association. The foregoing verification is made solely to comply with Section 2274.002, Texas Government Code, and does not apply if the City contracts with a sole-source provider or if the City does not receive any bids, if applicable, from a company that is able to provide the required verification.

P. Critical Infrastructure

In accordance with Chapter 2274, Texas Government Code, the City may not enter into a contract or agreement with a company, excluding a sole proprietorship, with 10 or more full-time employees for goods or services valued at $100,000 or more (1) if the company would be granted direct or remote access to or control of critical infrastructure in Texas, excluding access specifically allowed by the City for product warranty and support purposes and (2) if the City knows the company is (A) owned by or the a majority of stock or other ownership interest of the company is held or controlled by (i) individuals who are citizens of China, Iran, North Korea, Russia, or a designated country or (ii) a company or other entity, including a governmental entity, that is owned or controlled by citizens of or is directly controlled by the government of such countries, or (B) headquartered in such countries. The signatory executing the Contract on behalf of Seller represents that neither Seller nor any of its parent companies, wholly-owned subsidiaries, majority-owned subsidiaries, and other affiliates is a company of which the City may not contract pursuant to Section 2274.0102, Texas Government Code. The foregoing verification is made solely to comply with Section 2274.0102, Texas Government Code.

Q. Anti-Boycott Israel Verification

In accordance with Chapter 2271, Texas Government Code, the City may not enter into a contract with a company, excluding a sole proprietorship, with 10 or more full-time employees for goods or services valued at $100,000 or more unless the contract contains a written verification from the company that it: (1) does not boycott Israel; and (2) will not boycott Israel during the term of the contract. The signatory executing the Contract on behalf of Seller verifies that Seller and its parent company, wholly-owned subsidiaries, majority-owned subsidiaries, and other affiliates, if any, do not boycott Israel and, to the extent the Contract is a contract for goods or services, will not boycott Israel during the term of the Contract. As used in the foregoing verification, "boycott Israel" means refusing to deal with, terminating business activities with, or otherwise taking any action that is intended to penalize, inflict economic harm on, or limit commercial relations specifically with Israel, or with a person or entity doing business in Israel or in an Israeli-controlled territory, but does not include an action made for ordinary business purposes. The signatory understands "affiliate" to mean an entity that controls, is controlled by, or is under common control with the signatory and exists to make a profit. This section does not apply to a Vendor which is a sole proprietorship and/or which has less than 10 full-time employees. This section does not apply to a contract valued at less than $100,000.

R. Other Items

The Contractor shall sign the Construction Agreement, and deliver signed performance and payment bonds and proper insurance policy endorsements (and/or other evidence of coverage) within ten (10) calendar days after the Owner makes available to the Contractor copies of the Contract Documents for signature. Six (6) copies of the Contract Documents shall be signed by an authorized representative of the Contractor and returned to the City.

The Construction Agreement "effective date" shall be the date on which the City Council acts to approve the award of the Contract for the Work to Contractor. It is expressly provided, however, that the City Council delegates the authority to the City Manager or his designee to rescind the Contract award to Contractor at any time before the Owner delivers to the Contractor a copy of this Construction Agreement that bears the signature of the City Manager and City Secretary or their authorized designees. The purpose of this provision is to ensure:

1. that Contractor timely delivers to the Owner all bonds and insurance documents; and

2. that the Owner retains the discretion not to proceed if the City Manager or his designee determines that information indicates that the Contractor was not the lowest responsible bidder or that the Contractor cannot perform all of its obligations under the Contract Documents.

THE CONTRACTOR AGREES THAT IT SHALL HAVE NO CLAIM OR CAUSE OF ACTION OF ANY KIND AGAINST OWNER, INCLUDING A CLAIM FOR BREACH OF CONTRACT, NOR SHALL THE OWNER BE REQUIRED TO PERFORM UNDER THE CONTRACT DOCUMENTS, UNTIL THE DATE THE OWNER DELIVERS TO THE CONTRACTOR A COPY OF THE CONSTRUCTION AGREEMENT BEARING THE SIGNATURES JUST SPECIFIED.

The Contract Documents shall be construed and interpreted by applying Texas law. Exclusive venue for any litigation concerning the Contract Documents shall be Dallas County, Texas.

In the event of any disagreement or conflict concerning the interpretation of this Agreement, and such disagreement cannot be resolved by the signatories hereto, the signatories agree to submit such disagreement to non-binding mediation.

Although the Construction Agreement has been drafted by the Owner, should any portion of the Construction Agreement be disputed, the Owner and Contractor agree that it shall not be construed more favorably for either party.

The Contract Documents are binding upon the Owner and Contractor and shall insure to their benefit and as well as that of their respective successors and assigns.

If City Council approval is not required for the Construction Agreement under applicable law, then the Construction Agreement "effective date" shall be the date on which the City Manager or Mayor, as appropriate, and City Secretary or their designees have signed the Construction Agreement. If the

City Manager or Mayor, as appropriate, and City Secretary sign on different dates, then the later date shall be the effective date.

TEXAS MATERIALS GROUP, INC.
DBA TEXASBIT

By: Jason Traverse

Title: operational Manager

Date: 7/13/2026

Address: 420 Decker Dr STE 200
Irving, TX 75062

Phone: 469-216-7135

Email: jason.traverse@texasmaterials.com

CITY OF ROWLETT, TEXAS

By: Jeff Winget

Title: Mayor

Date:

Address: 4000 Main St.
Rowlett, TX 75088

Phone: (972) 412-6100

Email: purchasing@rowlett.com

Attested by: _____
Deborah Sorensen, City Secretary

EXHIBIT A
STANDARD INSURANCE REQUIREMENTS

Company shall procure and maintain for the duration of the contract, insurance coverages outlined herein which may arise from or be in connection with the performance of the work hereunder by the Company, his agents, representatives, employees or subcontractors. Any exceptions to the requirements or provisions herein shall be submitted in writing to the City's Risk Manager for consideration and approval. The decision of the City will be final. The cost of such insurance shall be borne by the Company.

1.0 GENERAL PROVISIONS

1.1 The Company shall obtain and maintain the minimum insurance coverage set forth in this section. By requiring such minimum insurance, the City of Rowlett shall not be deemed or construed to have assessed the risk that may or may not be applicable to the Company. The Company shall assess its own risks and if it deems appropriate and/or prudent, maintain higher limits and/or broader coverage. The Company is not relieved of any liability or other obligation assumed or pursuant to the Contract by reason of its failure to obtain or maintain insurance in sufficient amounts, duration, or types. The insurance requirements listed below do not replace any warranty or surety (performance, payment, or maintenance) bonds if required by preceding or subsequent sections of this contract.

1.2 Company shall cause each subcontractor employed by Company to purchase and maintain insurance of the type specified herein or cover such subcontractor under its insurance coverage.

1.3 The Company agrees that the insurance requirements specified in this section do not reduce the liability Company has assumed in any indemnification/hold harmless section of this contract.

1.4 City reserves the right to approve the security of the insurance coverage provided pursuant to this section by insurers including terms, conditions and the Certificate of Insurance. Failure of the Company to fully comply with requirements of this section during the term of this contract will be considered a material breach of contract and will be cause for immediate termination of the contract at the option of City.

1.5 Insurance coverage required by this section shall:

1.5.1 Be on a primary basis, non-contributory with any other insurance coverage and/or self-insurance carried by City.

1.5.2 Be with an insurer possessing an A-VII A. M. Best Rating or equivalent.

2.0 MINIMUM INSURANCE COVERAGE & LIMITS

2.1 Commercial General Liability. Company shall maintain commercial general liability and, if necessary, commercial umbrella or excess liability (umbrella or excess liability should be provided on follow-form policy).

2.2 Commercial general liability insurance shall be written on an ISO occurrence form CG 00 01 (or a substitute form providing equivalent coverage) and shall cover liability arising from premises, operations, independent Company's, product-completed operations, personal and advertising injury

and liability assumed under an insured contract (including the tort liability of another assumed in a business contract).

2.3 City shall be included as an additional insured under the commercial general liability using ISO additional insured endorsement CG 20 10 07 04 and CG 20 37 07 04 or their equivalent, including coverage for City with respect to liability arising out of the completed operations of Company.

2.4 Limits of Insurance

Contracts between $0 and $1,000,000		
Type of Insurance	**Amount of Insurance**	**Provisions**
1. Commercial General (Public) Liability to include coverage for: a) Premises/Operations b) Products/Completed Operations c) Independent Contractors d) Personal Liability e) Contractual Liability	• $1,000,000 each occurrence • $2,000,000 general aggregate • $2,000,000 Umbrella/ Excess Liability (follow-form)	City to be listed as additional insured and provided 30-day notice of cancellation or material change in coverage City to be provided a waiver of Subrogation
2. Business Auto Liability	• $1,000,000 per occurrence • $1,000,000 aggregate or; • $1,000,000 combined single limits	City to be named as additional insured
3. Workers' Comp & Employers' Liability	• Statutory Limits • $1,000,000 each accident	City to be provided a waiver of subrogation
4. Builders Risk Policy	• 100% of construction total	If Applicable
5. Other Coverages a) Professional Liability b) E & O coverage c) Cyber Liability	• To be determined by the City's Risk Manager on a per project basis	If Applicable
Contracts between $1,000,000 and $8,000,000		
Type of Insurance	**Amount of Insurance**	**Provisions**
1. Broad Form Commercial General Liability to include coverage for: a) Premises/Operations b) Products/Completed Operations c) Independent Contractors d) Personal Liability e) Contractual Liability	• $2,000,000 each occurrence • $4,000,000 general aggregate • $4,000,000 Umbrella/ Excess Liability (follow-form)	City to be listed as additional insured and provided 30-day notice of cancellation or material change in coverage City to be provided a waiver of Subrogation

3. Workers' Comp & Employers' Liability	• Statutory Limits • $1,000,000 each accident	City to be provided a waiver of subrogation
4. Builders Risk Policy	• 100% of construction total	If Applicable
5. Other Coverages a) Professional Liability b) E & O coverage c) Cyber Liability	• To be determined by the City's Risk Manager on a per project basis	If Applicable

2.4.1 If vendor is performing service-related work on City fleet, Garage Keeper Liability is required at a limit of not less than $1,000,000 per occurrence on a special form basis.

2.4.2 If contract has exposure for environmental hazards contact City's Risk Manager for specifications. (Including MCS-90).

2.4.3 Contracts for construction projects taking place in a high-risk flood zone area may require additional coverage requirements.

2.4.4 Insurance specifications for Contracts in excess of $8,000,000 will be determined by the City's Risk Manager.

2.5 Commercial Automobile Liability. Company shall maintain business automobile liability insurance and, if necessary, commercial umbrella liability insurance with a limit of not less than $1,000,000 per occurrence.

2.6 Such automobile liability insurance shall cover liability arising out of any auto (including owned, hired, and non-owned automobiles).

2.7 Commercial automobile coverage shall be written on ISO form CA 00 01, CA 00 05, CA 00 12, CA 00 20, or a substitute form providing equivalent liability coverage. If necessary, the policy shall be endorsed to provide contractual liability coverage equivalent to the amount provided in ISO form CA 00 01.

2.8 Company waives all rights against City and its agents, officers, directors and employees for recovery by the commercial automobile liability or commercial umbrella liability insurance obtained by Company pursuant to this section or under any applicable automobile physical damage coverage.

2.9 Workers' Compensation & Employer's Liability. Company shall maintain workers' compensation insurance with a limit of no less than $1,000,000 each incident. The employers' liability limit and, if necessary, commercial umbrella coverage, shall not be less than $1,000,000 each accident for bodily injury by accident or $1,000,000 each employee for bodily injury by disease.

2.10 Company waives all rights against City and its agents, officers, directors and employees for recovery of damages under Company's workers' compensation and employers' liability in connection with scope of contract and completed operations.

3.0 EVIDENCE OF INSURANCE

3.1 Prior to commencement of work, and thereafter upon renewal or replacement of coverage required by this section, Company shall furnish City a certificate(s) of insurance, executed by a duly authorized representative of each insurer, showing compliance with this section. Company shall furnish copies of all endorsements as required by each section.

3.2 Failure of City to demand such certificate(s) or other evidence of full compliance with these insurance requirements or failure of City to identify a deficiency from evidence that is provided shall not be construed as a waiver of Company's obligation to maintain such insurance.

3.3 City shall have the right, but not the obligation, of prohibiting Company or any subcontractor from entering the project site until such certificates or other evidence that insurance has been placed in complete compliance with these requirements is received and approved by the City.

3.4 Failure to maintain required insurance may result in termination of this contract at sole option of the City.

3.5 **All Certificates of Insurance need to reference job or contract number in comments section.**

3.6 **Certificate Holder shall be listed as follows: City of Rowlett, 4000 Main St., Rowlett, TX 75088**

ATTACHMENT 1
SCOPE OF SERVICES AND TIMELINE

Texas Materials Group, Inc., offers to furnish all material, labor and equipment required for the performance of the following described work subject to the terms and conditions of the Ellis County RFB NO 2024-010.

Description of Work and Price: Texas Materials proposes to mill approximately 5 inches of the existing roadway surface, pulverize the existing roadway, and incorporate 24 lbs/SY of cement for stabilization. Following the stabilization process, a tack coat/prime coat will be applied, and hot-mix asphalt pavement will be placed at approximately 230 lbs/SY. The project also includes providing all required traffic control for both the cement stabilization and asphalt paving operations. Texas Materials will retain all millings generated during the milling process and will be responsible for all trucking and handling associated with the removal and transportation of the millings. The proposed pricing includes the cost of the required bond. Upon receipt of the Notice to Proceed, Texas Materials anticipates completing the project within **30 calendar days**, weather permitting.

ATTACHMENT 2
FEE SCHEDULE

Location	Limits	Description	Units	Unit Price	Approx. Total
	MOB CHARGE	Mobilization	0	$2,000	$0
Chiesa Rd	See Attached Sheet"	2" Overlay	18,248	$16.40	$299,267.20
	See Attached Sheet"	Cement Stabilization 8"	19,769	$9.88	$195,317.72
	See Attached Sheet"	Haul Off Excess "	18,248	$8.40	$153,283.20
					$647,868.12

"See Attached Sheet"

Unless the words "Lump Sum" appear next to an item of work, it is understood and agreed that the quantities referred to above are estimates only and that payment shall be made at the state unit prices for actual quantities of work performed by TexasMaterials

This estimate expires thirty (30) days from the above date.

Revised
July 10, 2026

					TOTAL :	18,248.00	18,248.00		19,769.00		2,099.00									$ 16.40	$ 8.40	$ 195,317.72	$ 299,267.20
Location/Street	Limits	Length (ft)	Width (Ft)	Stabilization Width (Ft)	S/Y	Haul Off SY	Haul Off Inches	Stabilization SY	Depth s/y	Tons	Ty Mix	Cost Per Inch Haul Off	Inches: Overlay 2"	Cement Stabilization Cost Per SY	Cost Per Inch	Total Overlay Cost Per SY, 2"	Haul Off Cost/SY	Total Cement Stabilization Cost	Total HMAC Cost				
Chiesa Rd	Mikes Rd to 66 highway (Lake View Pow)	6843	24	26	18248	18248	5	19769	230	2099	BMD - TY D	$ 2.10	2	$ 9.88	$ 8.20	$ 16.40	$ 8.40	$ 95,317.72	$ 299,267.20